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, AND, IN CONNECTION THEREWITH,

MAKING AN APPROPRIATION.

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 SHALLADOPT REGULATIONS REGARDING RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS 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
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:

(I) The moneys in the fund COLLECTED BY THE STATE LICENSING AUTHORITY;

(II) ANY APPLICABLE RETAIL MARIJUANA EXCISE TAX TRANSFERRED PURSUANT TO SECTION 39-28.8-306 (1) (b), C.R.S.;

(III) ANY APPLICABLE RETAIL MARIJUANA SALES TAX TRANSFERRED PURSUANT TO SECTION 39-28.8-203 (1) (b), C.R.S.;

(IV) ANY SALES TAX IMPOSED PURSUANT TO SECTION 39-26-106, C.R.S., ON THE RETAIL SALE OF MARIJUANA OR MARIJUANA PRODUCTS UNDER THIS ARTICLE AND ARTICLE 43.4 OF THIS TITLE; AND

(V) ANY ADDITIONAL GENERAL FUND MONEYS APPROPRIATED TO THE FUND THAT ARE NECESSARY FOR THE OPERATION OF THE STATE LICENSING AUTHORITY.

(b) MONEYS IN THE FUND shall be subject to annual appropriation by the general assembly to:

(I) The department of revenue for the direct and indirect costs associated with implementing this article, article 43.4 OF THIS TITLE, AND ARTICLE 28.8 OF TITLE 39, C.R.S.;

(II) THE DIVISION OF CRIMINAL JUSTICE IN THE DEPARTMENT OF
PUBLIC SAFETY FOR THE STUDY OF MARIJUANA IMPLEMENTATION
PURSUANT TO SECTION 24-33.5-514, C.R.S.;

(III) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE MONITERING OF THE HEALTH EFFECTS OF MARIJUANA PURSUANT TO SECTION 25-1.5-111, C.R.S.;

(IV) THE DEPARTMENT OF LAW FOR THE TRAINING DESCRIBED IN SECTION 24-31-313, C.R.S.; AND

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

(c) Any moneys in the fund not expended for the purposes of this article 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.

(d) (I) ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE MEDICAL MARIJUANA CASH FUND AS OF JULY 1, 2013, IS APPROPRIATED TO...

(II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JULY 1, 2014.

(e) ON JUNE 30, 2014, AND ON EACH JUNE 30 THEREAFTER, THE STATE TREASURER SHALL TRANSFER TWO MILLION DOLLARS FROM THE FUND TO THE GENERAL FUND.

SECTION 3. In Colorado Revised Statutes, 12-43.3-501, amend as amended by Senate Bill 13-283 (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 marijuana cash fund, which fund is hereby created and referred to in this section as the "fund". The fund consists of:

(I) The moneys in the fund so collected BY THE STATE LICENSING AUTHORITY;

(II) Any APPLICABLE RETAIL MARIJUANA excise tax or additional sales tax imposed TRANSFERRED pursuant to article 28.8 of title 39 SECTION 39-28.8-306 (1) (b), C.R.S.;

(III) Any other APPLICABLE RETAIL MARIJUANA sales tax TRANSFERRED PURSUANT TO SECTION 39-28.8-203 (1) (b), C.R.S.;

(IV) Any sales tax imposed pursuant to section 39-26-106, C.R.S., on the retail sale of products under this article and article 43.4 of this title; and

(V) Any additional general fund moneys appropriated to the fund that are necessary for the operation of the state licensing authority.

(b) Moneys in the fund shall be subject to annual appropriation by the general assembly to:

(I) The department of revenue for the direct and indirect costs
associated with implementing this article, and article 43.4 of this title, and Article 28.8 of Title 39, C.R.S.;

(II) The Division of Criminal Justice in the Department of Public Safety for the Study of Marijuana Implementation Pursuant to Section 24-33.5-514, C.R.S.;

(III) The Department of Public Health and Environment for the Monitoring of the Health Effects of Marijuana Pursuant to Section 25-1.5-111, C.R.S.;

(IV) The Department of Law for the Training Described in Section 24-31-313, C.R.S.; and

(V) The General Fund to Repay Two Million Dollars to the General Fund for the Transfers Required by Section 39-26-123(6), C.R.S.

(c) Any moneys in the fund not expended for the purpose of this article or article 43.4 of this title THESE PURPOSES 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) (d) (I) Any unexpended and unencumbered moneys in the fund as of July 1, 2013, is are appropriated to the state licensing authority for the 2013-14 fiscal year.

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

(e) On June 30, 2014, and on each June 30 thereafter, the state treasurer shall transfer two million dollars from the fund to the general fund.

SECTION 4. 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 5. 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 AND RETAIL MARIJUANA
PRODUCTS, 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) "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 CULTIVATING CONTAINER.

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

(4) "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 AND RETAIL MARIJUANA PRODUCTS IN ACCORDANCE
WITH THIS ARTICLE.

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

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

(7) "LOCAL LICENSING AUTHORITY" MEANS, FOR ANY LOCAL JURISDICTION THAT HAS CHOSEN TO ADOPT A LOCAL LICENSING REQUIREMENT IN ADDITION TO THE STATE LICENSING 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.

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

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

(10) "MOBILE DISTRIBUTION CENTER" MEANS ANY VEHICLE OTHER THAN A COMMON PASSENGER LIGHT-DUTY VEHICLE WITH A SHORT WHEEL BASE USED TO CARRY A QUANTITY OF MARIJUANA GREATER THAN ONE OUNCE.

(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 JURISDICTION FOR COSTS, INCLUDING BUT NOT LIMITED TO INSPECTION, ADMINISTRATION, AND ENFORCEMENT OF RETAIL MARIJUANA ESTABLISHMENTS AUTHORIZED PURSUANT TO THIS ARTICLE.

(12) "OWNER" MEANS ANY PERSON HAVING A BENEFICIAL
INTEREST, AS DEFINED BY THE STATE LICENSING AUTHORITY, IN A RETAIL MARIJUANA ESTABLISHMENT.

(13) "PERSON" MEANS A NATURAL PERSON, PARTNERSHIP, ASSOCIATION, COMPANY, CORPORATION, LIMITED LIABILITY COMPANY, OR ORGANIZATION; EXCEPT THAT "PERSON" DOES NOT INCLUDE ANY GOVERNMENTAL ORGANIZATION.

(14) "PREMISES" MEANS A DISTINCTLY IDENTIFIED AS REQUIRED BY THE STATE LICENSING AUTHORITY AND DEFINITE LOCATION, WHICH MAY INCLUDE A BUILDING, A PART OF A BUILDING, A ROOM, OR ANY OTHER DEFINITE CONTIGUOUS AREA.

(15) "RETAIL MARIJUANA" MEANS "MARIJUANA" OR "MARIHUANA" AS DEFINED IN SECTION 16 (2) (f) OF ARTICLE XVIII OF THE STATE CONSTITUTION, THAT IS CULTIVATED, MANUFACTURED, DISTRIBUTED, OR SOLD BY A LICENSED RETAIL MARIJUANA ESTABLISHMENT.

(16) "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.

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

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

(19) "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.

(20) "Retail marijuana store" has the same meaning as defined in section 16 (2) (n) of article XVIII of the state constitution.

(21) "Retail marijuana testing facility" means "marijuana testing facility" as defined in section 16 (2) (l) of article XVIII of the state constitution that is licensed pursuant to this article.

(22) "Sale" or "sell" includes to exchange, barter, or traffic in, to solicit or receive and order except through a licensee licensed under this article, to deliver for value in any way other than gratuitously, to peddle or possess with intent to sell, or to traffic in for any consideration promised or obtained directly or indirectly.

(23) "School" means a public or private preschool or a public or private elementary, middle, junior high, high school, or institute of higher education.

(24) "State licensing authority" means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale, and testing 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, HAS PAID ALL APPLICABLE LICENSING FEES, 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 issued pursuant to Part 4 of Article 43.3 of this title, 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 so long as the license remains in effect until a retail marijuana establishment license is approved. If the retail marijuana establishment license is granted, the applicant shall have fourteen days from the effective date of the license to surrender the medical marijuana license to the state licensing authority. If the retail marijuana license is granted, on the effective date of the license 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
BECOMES EFFECTIVE, THE APPLICANT SHALL IDENTIFY THE MEDICAL
MARIJUANA INVENTORY THAT WILL BECOME RETAIL MARIJUANA
INVENTORY.

(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 OR
ONLY SELL MEDICAL MARIJUANA TO PERSONS TWENTY-ONE YEARS OF AGE
OR OLDER.

(VI) (A) NO RETAIL MARIJUANA LICENSE SHALL BE EFFECTIVE
UNTIL JANUARY 1, 2014. NOTWITHSTANDING THE PROVISIONS OF
SUBPARAGRAPH (III) 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) (I) (A) AFTER JANUARY 1, 2014, PERSONS WHO DID NOT MEET
REQUIREMENTS OF SUBSECTION (I) OF PARAGRAPH (a) OF THIS SUBSECTION
(1) MAY SUBMIT NOTICE OF INTENT TO APPLY FOR LICENSURE PURSUANT
TO THIS ARTICLE. THE STATE LICENSING AUTHORITY SHALL ESTABLISH A
FORM FOR THE NOTICE AND MAY COLLECT A NOTICE FEE THAT SHALL BE
APPLIED TO THE AMOUNT OF THE APPLICATION FEE. THE STATE LICENSING
AUTHORITY SHALL FORWARD TO THE LOCAL JURISDICTION THE NOTICE OF
INTENT TO APPLY AND ONE-HALF OF THE NOTICE FEE UNLESS THE LOCAL
JURISDICTION HAS PROHIBITED THE OPERATION OF RETAIL MARIJUANA

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ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF

2

THE STATE CONSTITUTION.

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(B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE JULY 1, 2015.

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(II) ON AND AFTER JULY 1, 2014, PERSONS WHO DID NOT MEET THE

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REQUIREMENTS OF SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS

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SUBSECTION (I) MAY APPLY FOR LICENSURE PURSUANT TO THIS ARTICLE.

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A LICENSE ISSUED TO A PERSON PURSUANT TO THIS SUBPARAGRAPH (II) IS

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NOT EFFECTIVE UNTIL OCTOBER 1, 2014.

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(c) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS (a)

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AND (b) OF THIS SUBSECTION (1), ON OR AFTER OCTOBER 1, 2013, A

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PERSON MAY APPLY FOR A RETAIL MARIJUANA TESTING FACILITY LICENSE.

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(II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2015.

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(2) (a) A PERSON APPLYING PURSUANT TO SUBSECTION (1) OF THIS

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SECTION SHALL COMPLETE FORMS AS PROVIDED BY THE STATE LICENSING

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AUTHORITY AND SHALL PAY THE APPLICATION FEE AND THE LICENSING

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FEE, WHICH SHALL BE CREDITED TO THE MARIJUANA CASH FUND

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ESTABLISHED PURSUANT TO SECTION 12-43.4-501. THE STATE LICENSING

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AUTHORITY SHALL WITHIN SEVEN DAYS FORWARD ONE-HALF OF THE

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LICENSE APPLICATION FEE TO THE LOCAL JURISDICTION UNLESS THE LOCAL

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JURISDICTION HAS PROHIBITED THE OPERATION OF RETAIL MARIJUANA

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ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF

22

THE STATE CONSTITUTION. IF THE LICENSE IS DENIED, THE STATE

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LICENSING AUTHORITY SHALL REFUND THE LICENSING FEE TO THE

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APPLICANT.

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(b) (I) THE STATE LICENSING AUTHORITY SHALL ACT UPON AN

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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. THE STATE LICENSING AUTHORITY SHALL PROCESS
APPLICATIONS IN THE ORDER IN WHICH COMPLETE APPLICATIONS ARE
RECEIVED BY THE STATE LICENSING AUTHORITY.

(II) (A) THE STATE LICENSING AUTHORITY SHALL PROVIDE
PREFERENCE TO APPLICANTS WHO SUBMITTED A NOTICE OF INTENT TO
APPLY PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (b) OF
SUBSECTION (1) OF THIS SECTION.

(B) THIS SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1, 2015.

(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
CULTIVATION, MANUFACTURE, SALE, DISTRIBUTION, DISPENSING, AND
TESTING OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS 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, OR
CULTIVATING 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, or cultivating of marijuana on or in that property.

(6) On or before April 1, 2014, and on or before April 1 each year thereafter, the state licensing authority shall submit a report to the joint budget committee and the finance committees of the Senate and House of Representatives, or any successor committees, on:

(a) The progress that the state licensing authority is making in processing licenses;

(b) An overview of the retail marijuana and retail marijuana products markets, including but not limited to actual and anticipated market demand and market supply;

(c) Detailing the amount of revenue generated by medical and retail marijuana, including applicable excise taxes, sales taxes, application and license fees, and any other fees, and detailing the expenses incurred by the state licensing authority, broken down into categories as determined by the authority;

(d) The number of applications for conversion from medical marijuana licensees to retail marijuana establishments;

(e) The number of persons who have filed a notice of intent to apply for licensure pursuant to subparagraph (I) of paragraph (b) of subsection (1) of this section; and
THE ENFORCEMENT MEASURES TAKEN AGAINST PERSONS LICENSED PURSUANT TO THIS ARTICLE FOR VIOLATION OF REGULATIONS PROMULGATED PURSUANT TO THIS ARTICLE.

12-43.4-105. Limited access areas. Subject to the provisions of section 12-43.4-701, a limited access area shall be a building, room, or other contiguous area upon the licensed premises where retail marijuana and retail marijuana products are 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 and retail marijuana products in this state, the state licensing authority created in section 12-43.3-201, shall also have regulatory authority for retail marijuana and retail marijuana products 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 shall develop and maintain a seed-to-sale tracking system, that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail
MARIJUANA STORE, TO ENSURE THAT NO MARIJUANA GROWN OR
PROCESSED BY A RETAIL MARIJUANA ESTABLISHMENT IS SOLD OR
OTHERWISE TRANSFERRED EXCEPT BY A RETAIL MARIJUANA STORE.

(2) 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
AND RETAIL MARIJUANA PRODUCTS 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 ON OR BEFORE JULY 1, 2013, __ RULES FOR THE
PROPER REGULATION AND CONTROL OF THE CULTIVATION, MANUFACTURE,
DISTRIBUTION, SALE, AND TESTING OF RETAIL MARIJUANA AND RETAIL
MARIJUANA PRODUCTS AND FOR THE ENFORCEMENT OF THIS ARTICLE; AND
PROMULGATE AMENDED RULES AND SUCH SPECIAL RULINGS AND FINDINGS
AS NECESSARY;

(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
PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S. THE STATE LICENSING
AUTHORITY MAY, AT ITS DISCRETION, DELEGATE TO THE DEPARTMENT OF
REVENUE HEARING OFFICERS THE AUTHORITY TO CONDUCT LICENSING,
DISCIPLINARY, AND RULE-MAKING HEARINGS. WHEN CONDUCTING SUCH
HEARINGS, THE HEARING OFFICERS ARE EMPLOYEES OF THE STATE
LICENSING AUTHORITY UNDER THE DIRECTION AND SUPERVISION OF THE
EXECUTIVE DIRECTOR AND THE STATE LICENSING AUTHORITY.

(d) MAINTAIN THE CONFIDENTIALITY OF REPORTS OR OTHER
INFORMATION OBTAINED FROM A LICENSEE SHOWING THE SALES VOLUME
OR QUANTITY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS
SOLD, OR REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER
RECORDS THAT ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO
STATE LAW. 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. ANY CUSTOMER INFORMATION
MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE.

(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.

(3) (a) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
SUBSECTION (2) 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) (A) Establishing a marijuana and marijuana products independent testing and certification program, within an implementation time frame established by the Department, requiring licensees to test marijuana to ensure at a minimum that products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling.

(B) Testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; and harmful microbials such as E. coli or salmonella and pesticides.

(C) In the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such products shall be immediately quarantined and immediate notification to the marijuana enforcement division.
SHALL BE MADE. THE ADULTERATED PRODUCT SHALL BE DOCUMENTED AND PROPERLY DESTROYED.

(D) TESTING SHALL ALSO VERIFY THC POTENCY REPRESENTATIONS FOR CORRECT LABELING.

(E) THE AGENCY SHALL DETERMINE AN ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS.

(F) THE AGENCY SHALL DETERMINE THE PROTOCOLS AND FREQUENCY OF MARIJUANA TESTING BY LICENSEES.

(G) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT SHALL PROVIDE TO THE STATE LICENSING AUTHORITY STANDARDS FOR LICENSING LABORATORIES PURSUANT TO THE REQUIREMENTS AS OUTLINED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV) FOR MARIJUANA AND MARIJUANA PRODUCTS.

(V) 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;

(VI) REQUIREMENTS TO PREVENT THE SALE OR DIVERSION OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO PERSONS UNDER TWENTY-ONE YEARS OF AGE;

(VII) 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
CANNABANIODS 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 RETAIL
MARIJUANA PRODUCTS;

(M) A RECOMMENDED USE BY OR EXPIRATION DATE FOR RETAIL
MARIJUANA PRODUCTS;
(N) A NUTRITIONAL FACT PANEL FOR EDIBLE MARIJUANA PRODUCTS; AND

(O) A UNIVERSAL SYMBOL INDICATING THE PACKAGE CONTAINS MARIJUANA.

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

(IX) LIMITATIONS ON THE DISPLAY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS;

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

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

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

(XIII) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES TAX PAYMENTS BY RETAIL MARIJUANA STORES AND ANY APPLICABLE EXCISE TAX PAYMENTS BY RETAIL MARIJUANA CULTIVATION FACILITIES;

(XIV) 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;

(XV) 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
REVOKEING A STATE LICENSE ISSUED PURSUANT TO THIS ARTICLE; AND
(XVI) ESTABLISHING A SCHEDULE OF PENALTIES AND PROCEDURES
FOR ISSUING AND APPEALING CITATIONS FOR VIOLATION OF STATUTES AND
RULES AND ISSUING ADMINISTRATIVE CITATIONS.
(b) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
SUBSECTION (2) OF THIS SECTION MUST ALSO INCLUDE THE FOLLOWING
SUBJECTS:
(I) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
THE STATE LICENSING AUTHORITY;
(II) INSTRUCTIONS FOR LOCAL JURISDICTIONS 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) 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;

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

(IX) 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 (2) OF THIS SECTION MUST 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 PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A HIGH LIKELIHOOD OF REACHING MINORS AND OTHER SUCH RULES THAT MAY INCLUDE:

(A) ALLOW PACKAGING AND ACCESSORY BRANDING;
(B) A PROHIBITION ON HEALTH OR PHYSICAL BENEFIT CLAIMS IN ADVERTISING, MERCHANDISING, AND PACKAGING;
(C) A PROHIBITION ON UNSOLICITED POP-UP ADVERTISING ON THE INTERNET;
(D) A PROHIBITION ON BANNER ADS ON MASS-MARKET WEB SITES;
(E) A PROHIBITION ON OPT-IN MARKETING THAT DOES NOT PERMIT AN EASY AND PERMANENT OPT-OUT FEATURE; AND

(F) A PROHIBITION ON MARKETING DIRECTED TOWARDS LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR PHONES, UNLESS THE MARKETING IS A MOBILE DEVICE APPLICATION INSTALLED ON THE DEVICE BY THE OWNER OF THE DEVICE WHO IS TWENTY-ONE YEARS OF AGE OR OLDER AND INCLUDES A PERMANENT AND EASY OPT-OUT FEATURE;

(II) REQUIRING THAT MAGAZINES WHOSE PRIMARY FOCUS IS MARIJUANA OR MARIJUANA BUSINESSES ARE ONLY SOLD IN RETAIL MARIJUANA STORES OR BEHIND THE COUNTER IN ESTABLISHMENTS WHERE PERSONS UNDER TWENTY-ONE YEARS OF AGE ARE PRESENT.

(III) 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;

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

(V) A STANDARDIZED MARIJUANA SERVING SIZE AMOUNT FOR EDIBLE RETAIL MARIJUANA PRODUCTS THAT DOES NOT CONTAIN MORE
THAN TEN MILLIGRAMS OF ACTIVE THC DESIGNED ONLY TO PROVIDE CONSUMERS WITH INFORMATION ABOUT THE TOTAL NUMBER OF SERVINGS OF ACTIVE THC IN A PARTICULAR RETAIL MARIJUANA PRODUCT, NOT AS A LIMITATION ON THE TOTAL AMOUNT OF THC IN ANY PARTICULAR ITEM, LABELING REQUIREMENTS REGARDING SERVINGS FOR EDIBLE RETAIL MARIJUANA PRODUCTS, AND LIMITATIONS ON THE TOTAL AMOUNT OF ACTIVE THC IN A SEALED INTERNAL PACKAGE THAT IS NO MORE THAN ONE HUNDRED MILLIGRAMS OF ACTIVE THC;

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

(VII) PROHIBITION OR REGULATION OF ADDITIVES TO ANY RETAIL 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, BUT NOT INCLUDING COMMON BAKING AND COOKING ITEMS; AND

(VIII) 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
AND RETAIL MARIJUANA PRODUCTS.

(4) (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) (I) The state licensing authority may establish
limitations upon retail marijuana production through one or
more of the following methods:

(A) Placing or modifying a limit on the number of licenses
that it issues, by class or overall, but in placing or modifying
the limits, the authority shall consider the reasonable
availability of new licenses after a limit is established or
modified;

(B) Placing or modifying a limit on the amount of
production permitted by a retail marijuana cultivation license
or class of licenses based upon some reasonable metric or set of
metrics including, but not limited to, those items detailed in
paragraph (a) of this subsection (4), previous months' sales,
pending sales, or other reasonable metrics as determined by the
state licensing authority; and

(C) Placing or modifying a limit on the total amount of
PRODUCTION BY RETAIL MARIJUANA CULTIVATION LICENSEES IN THE STATE, COLLECTIVELY, BASED UPON SOME REASONABLE METRIC OR SET OF METRICS INCLUDING, BUT NOT LIMITED TO, THOSE ITEMS DETAILED IN PARAGRAPH (a) OF THIS SUBSECTION (4), AS DETERMINED BY THE STATE LICENSING AUTHORITY.

(II) 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:

(A) Consider the total current and anticipated demand for retail marijuana and retail marijuana products in Colorado; and

(B) Attempt to minimize the market for unlawful marijuana.

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 WITHIN SEVEN DAYS PROVIDE A COPY OF THE APPLICATION TO THE LOCAL JURISDICTION IN WHICH THE ESTABLISHMENT IS TO BE LOCATED UNLESS THE LOCAL JURISDICTION HAS PROHIBITED THE OPERATION OF RETAIL MARIJUANA ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF THE STATE CONSTITUTION. 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 DECLARE TO IMPOSE ANY LOCAL LICENSING REQUIREMENTS, BUT A LOCAL JURISDICTION SHALL NOTIFY THE STATE LICENSING AUTHORITY THAT IT EITHER APPROVES OR DENIES EACH APPLICATION FORWARDED TO IT.

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.

(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.
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 executive director of the department of revenue 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 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. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL 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 12-43.4-304. THE STATE LICENSING AUTHORITY MAY REFUSE OR DENY A LICENSE RENEWAL, REINSTATEMENT, OR INITIAL LICENSE ISSUANCE FOR GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (1), "GOOD CAUSE"
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; or

(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.

(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 jurisdiction 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) An individual whose criminal history indicates that he or she is not of good moral character after considering the factors in section 24-5-101 (2), C.R.S.

(c) A person other than an individual if the criminal
HISTORY OF ANY OF ITS OFFICERS, DIRECTORS, STOCKHOLDERS, OR
OWNERS INDICATES THAT THE OFFICER, DIRECTOR, STOCKHOLDER, OR
OWNER IS NOT OF GOOD MORAL CHARACTER AFTER CONSIDERING THE
FACTORS IN SECTION 24-5-101 (2), C.R.S.

(d) A PERSON FINANCED IN WHOLE OR IN PART BY ANY OTHER
PERSON WHOSE CRIMINAL HISTORY INDICATES HE OR SHE IS NOT OF GOOD
MORAL CHARACTER AFTER CONSIDERING THE FACTORS IN SECTION
24-5-101(2), C.R.S., 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 RELATED TO A RETAIL MARIJUANA ESTABLISHMENT; OR
   (II) PAY ANY TAXES, INTEREST, OR PENALTIES DUE THE
   DEPARTMENT OF REVENUE RELATING TO A RETAIL MARIJUANA
   ESTABLISHMENT;

(g) A PERSON WHO:

   (I) HAS DISCHARGED A SENTENCE FOR A CONVICTION OF A FELONY
   IN THE FIVE YEARS IMMEDIATELY PRECEDING HIS OR HER APPLICATION
   DATE; OR
   (II) HAS DISCHARGED A SENTENCE 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 IN THE TEN YEARS IMMEDIATELY PRECEDING HIS OR HER
   APPLICATION DATE OR FIVE YEARS FROM THE EFFECTIVE DATE OF
HOUSE BILL 13-1317, ENACTED IN 2013, WHICHEVER IS LONGER; EXCEPT

THAT THE LICENSING AUTHORITY MAY GRANT A LICENSE TO A PERSON IF

THE PERSON HAS A STATE FELONY CONVICTION BASED ON POSSESSION OR

USE OF MARIJUANA OR MARIJUANA CONCENTRATE 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 ESTABLISHMENT 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 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 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 Licensing AUTHORITY SHALL SUBMIT THE FINGERPRINTS AND THE LOCAL JURISDICTION MAY FORWARD 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 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 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 REQUIRED TO SUBMIT.

12-43.4-307. Restrictions for applications for new licenses.

(1) THE STATE LICENSING AUTHORITY SHALL NOT APPROVE AN APPLICATION FOR THE ISSUANCE OF A STATE 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; OR

(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.

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 (12).

(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, WITHIN SEVEN DAYS, 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 (1) 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 12-43.4-304.

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
(2) A retail marijuana establishment may not operate until it is licensed by the state licensing authority pursuant to this article and approved by the local jurisdiction. If an application is denied by the local licensing authority, the state licensing authority shall revoke 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 of the name, address, and date of birth of an owner, officer or manager before the new owner, officer, or manager begins managing, owning, or associating 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.

(4) 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.

(5) 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 OF ONE YEAR AFTER THE DATE OF ISSUANCE UNLESS REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE OR THE RULES PROMULGATED PURSUANT TO THIS ARTICLE.

(6) 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.

(7) (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.

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.

A LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING AUTHORITIES AND RECEIVE APPROVAL 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.

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 SEVEN DAYS AFTER THE CHANGE PURSUANT TO SECTION 12-43.4-308.

(a) A LICENSEE MAY MOVE THE PERMANENT LOCATION TO ANY OTHER PLACE IN COLORADO ONCE PERMISSION TO DO SO IS GRANTED BY THE STATE AND LOCAL JURISDICTION PROVIDED FOR IN THIS ARTICLE. UPON RECEIPT OF AN APPLICATION FOR CHANGE OF LOCATION, THE STATE LICENSING AUTHORITY SHALL, WITHIN SEVEN DAYS, 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 LOCAL JURISDICTION SHALL CONSIDER ALL REASONABLE RESTRICTIONS THAT

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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 and any
applicable fees, the state licensing authority shall, within seven
days, 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 ADMINISTRATIVELY CONTINUE THE LICENSE AND ACCEPT A LATER APPLICATION FOR RENEWAL OF A LICENSE AT THE DISCRETION OF THE STATE LICENSING AUTHORITY.

(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 or retail
marijuana products 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 and retail marijuana products, 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
IF THE LOCAL JURISDICTION PERMITS A DUAL OPERATION.

(b) (I) Except as provided in subparagraph (II) of this
paragraph (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.

(II) For a dual medical marijuana center and a retail
marijuana store that only sells medical marijuana to persons
twenty-one years of age or older, the state licensing authority
must adopt rules concerning the licensed premises including but
not limited to whether to allow single entrances and exits and
virtual separation of inventory.

(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

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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 OR RETAIL MARIJUANA PRODUCTS 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.

(c) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (1), ON AND BEFORE SEPTEMBER 30, 2014, A RETAIL MARIJUANA STORE LICENSEE SHALL ONLY SELL RETAIL MARIJUANA GROWN IN ITS RETAIL MARIJUANA CULTIVATION FACILITY LICENSED PURSUANT TO SECTION 12-43.4-403.

(II) NOTWITHSTANDING THE REQUIREMENTS OF PARAGRAPH (b) OF THIS SUBSECTION (1) OR SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) TO THE CONTRARY, A RETAIL MARIJUANA STORE MAY PURCHASE NOT MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND INVENTORY OF RETAIL MARIJUANA FROM ANOTHER LICENSED RETAIL MARIJUANA ESTABLISHMENT NOT OWNED BY THE RETAIL MARIJUANA STORE. A RETAIL MARIJUANA STORE OR ANOTHER RETAIL MARIJUANA CULTIVATION FACILITY MAY SELL NO MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND INVENTORY TO ANOTHER COLORADO LICENSED RETAIL MARIJUANA ESTABLISHMENT. NOTWITHSTANDING THE PROVISIONS OF THIS SUBPARAGRAPH (II), THE DIRECTOR OF THE STATE LICENSING AUTHORITY MAY GRANT A TEMPORARY WAIVER:
(A) To a retail marijuana store or applicant if the retail marijuana store or applicant suffers a catastrophic event related to its inventory; or

(B) To a new retail marijuana store licensee for a period not to exceed ninety days so the new licensee can cultivate the necessary retail marijuana to comply with this paragraph (c).

(III) This paragraph (c) is repealed, effective January 1, 2015.

(d) A retail marijuana store shall not accept any retail marijuana purchased from a retail marijuana cultivation facility unless the retail marijuana store is provided with evidence that any applicable excise tax due, pursuant to Article 28.8 of Title 39, C.R.S., was paid.

(e) The retail marijuana store shall track all of its retail marijuana and retail marijuana products from the point that they are transferred from a retail marijuana cultivation facility or retail marijuana products manufacturer to the point of sale.

(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 transact with a retail marijuana products manufacturing licensee for the purchase of retail marijuana products upon a retail marijuana products manufacturing licensee’s licensed premises or a retail marijuana store’s licensed premises.
(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 person who does not have a valid identification card showing that the person is a resident 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. If a person under twenty-one years of age presents a fraudulent proof of age, any action relying on the fraudulent proof of age shall not be grounds for the revocation or suspension of any license issued under this article.

(4) A retail marijuana store may provide, except as required by 12-43.4-202 (3)(a)(IV), 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, the identity of the testing facility, and the results of the testing.

(5) All retail marijuana and retail marijuana products 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, MARIJUANA ACCESSORIES, NON-CONSUMABLE PRODUCTS SUCH AS APPAREL, AND MARIJUANA RELATED PRODUCTS SUCH AS CHILD PROOF PACKAGING CONTAINERS, BUT SHALL BE PROHIBITED FROM SELLING OR GIVING AWAY ANY CONSUMABLE PRODUCT, INCLUDING BUT NOT LIMITED TO CIGARETTES OR ALCOHOL, OR EDIBLE PRODUCT THAT DOES NOT CONTAIN MARIJUANA, INCLUDING BUT NOT LIMITED TO SODAS, CANDIES, OR BAKED GOODS.

(b) A LICENSED RETAIL MARIJUANA STORE MAY NOT SELL ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS THAT CONTAIN NICOTINE OR ALCOHOL, IF THE SALE OF THE ALCOHOL WOULD REQUIRE A LICENSE PURSUANT TO ARTICLE 46 OR 47 OF TITLE 12, C.R.S.

(c) A LICENSED RETAIL MARIJUANA STORE SHALL NOT SELL RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS OVER THE INTERNET NOR DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO A PERSON NOT PHYSICALLY PRESENT IN THE RETAIL MARIJUANA STORE'S LICENSED PREMISES.

(8) The premises of a licensed retail marijuana store is the only place where an automatic dispensing machine that contains retail marijuana or retail marijuana products may be located. If a licensed retail marijuana store uses an automatic dispensing machine that contains retail marijuana and retail marijuana products, it must comply with the regulations promulgated by the state licensing authority for its use.

(9) RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS MAY
NOT BE CONSUMED ON THE PREMISES OF A RETAIL MARIJUANA STORE,

(10) NOTwithstanding any other provision of state law,
SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ARE NOT
EXEMPT FROM STATE OR LOCAL SALES TAX.

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

(2) (a) NOTwithstanding the provisions of subsection (1) of
this section, on and before September 30, 2014, a retail marijuana
cultivation facility license may be issued only to a person who
holds a retail marijuana store license pursuant to section
12-43.4-402 or a retail marijuana products manufacturing
license pursuant to section 12-43.3-404 and who grows and
cultivates retail marijuana at an additional licensed premise
contiguous or not contiguous with the licensed premise of the
person’s retail marijuana store or the person’s retail marijuana
products manufacturing facility.

(b) On and before September 30, 2014, a retail marijuana
cultivation facility licensee shall only transfer retail
marijuana to its retail marijuana store, retail marijuana
products manufacturer, or another of its retail marijuana
cultivation facilities.

(c) NOTwithstanding the provisions of paragraph (b) or (d)
of this subsection (2), a retail marijuana cultivation facility
(d) Retail marijuana cultivation facility licenses may be combined in a common area solely for the purposes of growing and cultivating retail marijuana and used to provide retail marijuana to more than one licensed retail marijuana store or licensed retail marijuana products manufacturer so long as the holder of the retail marijuana cultivation license is also a common owner of each licensed retail marijuana store or licensed retail marijuana products manufacturer to which retail marijuana is provided. In accordance with promulgated rules relating to plant and product tracking requirements, each retail marijuana cultivation licensee shall supply retail marijuana only to its associated licensed retail marijuana stores or licensed retail marijuana products manufacturers.

(e) This subsection (2) is repealed, effective January 1, 2015.

(3) A retail marijuana cultivation facility shall remit any applicable excise tax due in accordance with article 28.8 of article 39, C.R.S., based on the average wholesale prices set by the state licensing authority.

(4) A retail marijuana cultivation facility shall track the marijuana it cultivates from seed or immature plant to wholesale purchase. Prior to delivery of any sold retail
MARIJUANA, THE RETAIL MARIJUANA CULTIVATION FACILITY SHALL PROVIDE EVIDENCE THAT IT PAID ANY APPLICABLE EXCISE TAX ON THE RETAIL MARIJUANA DUE PURSUANT TO ARTICLE 28.8 OF TITLE 39, C.R.S.

(5) A RETAIL MARIJUANA CULTIVATION FACILITY MAY PROVIDE, EXCEPT AS REQUIRED BY 12-43.4-202 (3) (a) (IV), 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 CULTIVATION FACILITY SHALL MAINTAIN A RECORD OF WHAT WAS PROVIDED TO THE TESTING FACILITY, THE IDENTITY OF THE TESTING FACILITY, AND THE TESTING RESULTS.

(6) RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS MAY NOT BE CONSUMED ON THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY.

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
TRANSFER TO A LICENSED RETAIL MARIJUANA STORE,

(c) (I) BEFORE OCTOBER 1, 2014, EXCEPT AS PERMITTED BY

SECTION 12-43.4-402 (1) (c) (II), A RETAIL MARIJUANA PRODUCTS

MANUFACTURER LICENSEE THAT HAS A RETAIL MARIJUANA CULTIVATION

FACILITY LICENSE SHALL NOT SELL ANY OF THE RETAIL MARIJUANA THAT

IT CULTIVATES EXCEPT FOR THE RETAIL MARIJUANA THAT IS CONTAINED

IN ITS RETAIL MARIJUANA PRODUCTS.

(II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JANUARY 1,

2015.

(d) A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL NOT

ACCEPT ANY RETAIL MARIJUANA PURCHASED FROM A RETAIL MARIJUANA

CULTIVATION FACILITY UNLESS THE RETAIL MARIJUANA PRODUCTS

MANUFACTURER IS PROVIDED WITH EVIDENCE THAT ANY APPLICABLE

EXCISE TAX DUE PURSUANT TO ARTICLE 28.8 OF TITLE 39, C.R.S., WAS

PAID.

(e) A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL NOT:

(I) ADD ANY MARIJUANA TO A FOOD PRODUCT WHERE THE

MANUFACTURER OF THE FOOD PRODUCT HOLDS A TRADEMARK TO THE

FOOD PRODUCT’S NAME; EXCEPT THAT A MANUFACTURER MAY USE A

TRADEMARKED FOOD PRODUCT IF THE MANUFACTURER USES THE PRODUCT

AS A COMPONENT OR AS PART OF A RECIPE AND WHERE THE MARIJUANA

PRODUCT MANUFACTURER DOES NOT STATE OR ADVERTISE TO THE

CONSUMER THAT THE FINAL RETAIL MARIJUANA PRODUCT CONTAINS A

TRADEMARKED FOOD PRODUCT;

(II) INTENTIONALLY OR KNOWINGLY LABEL OR PACKAGE A RETAIL

MARIJUANA PRODUCT IN A MANNER THAT WOULD CAUSE A REASONABLE

CONSUMER CONFUSION AS TO WHETHER THE RETAIL MARIJUANA PRODUCT
WAS A TRADEMARKED FOOD PRODUCT; OR

(III) LABEL OR PACKAGE A PRODUCT IN A MANNER THAT VIOLATES
ANY FEDERAL TRADEMARK LAW OR REGULATION.

(2) RETAIL MARIJUANA PRODUCTS SHALL BE PREPARED ON A
LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE MANUFACTURE
AND PREPARATION OF RETAIL MARIJUANA OR 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 (3) (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 OR RETAIL MARIJUANA PRODUCTS MAY
NOT BE CONSUMED ON THE PREMISES OF A RETAIL MARIJUANA PRODUCTS
MANUFACTURING FACILITY.

(6) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY
PROVIDE, EXCEPT AS REQUIRED BY 12-43.4-202 (3) (a) (IV), 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, THE IDENTITY OF THE TESTING FACILITY, AND THE RESULTS OF THE TESTING.

(7) An edible retail marijuana product may list its ingredients and compatibility with dietary practices.

(8) 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.

(9) 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 person who has an interest in 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 OPTIONAL PREMISE
CULTIVATION OPERATION, 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
OPTIONAL PREMISE CULTIVATION OPERATION, 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) 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 fine a licensee or 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 AND, IF DIFFERENT, AT THE LAST
ADDRESS FURNISHED TO THE AUTHORITY BY THE LICENSEE. 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 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; AND

(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.

(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
deaemed 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) A district attorney shall notify the state licensing
authority if it begins investigating a retail marijuana
establishment. If the state licensing authority has received
notification from a district attorney that an investigation is
being conducted, the state licensing authority shall not
DESTROY ANY MARIJUANA OR MARIJUANA PRODUCTS FROM THE RETAIL MARIJUANA ESTABLISHMENT UNTIL THE DESTRUCTION IS APPROVED BY THE DISTRICT ATTORNEY.

(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 OR RETAIL MARIJUANA PRODUCTS ARE STORED, CULTIVATED, SOLD, DISPENSED, OR TESTED SHALL BE SUBJECT TO INSPECTION BY THE STATE OR LOCAL JURISDICTIONS 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 jurisdiction, 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 or retail marijuana products in a licensed retail marijuana establishment, and it is unlawful for a retail marijuana licensee to allow retail marijuana or retail marijuana products 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 or retail marijuana products 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 (10); OR

(d) TO FAIL TO REPORT THE NAME OF OR A CHANGE IN MANAGERS
AS REQUIRED BY SECTION 12-43.4-309 (11).

(4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL RETAIL
MARIJUANA OR RETAIL MARIJUANA PRODUCTS 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 OR RETAIL
   MARIJUANA PRODUCTS IN ANY FORM;

   (d) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
   MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE LICENSE;

   (e) TO SELL RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS
   TO A PERSON UNDER TWENTY-ONE YEARS OF AGE WITHOUT CHECKING THE
   PERSON'S IDENTIFICATION;

   (f) 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;

   (g) TO HAVE ON THE LICENSED PREMISES ANY RETAIL MARIJUANA,
   RETAIL MARIJUANA PRODUCTS, OR MARIJUANA PARAPHERNALIA THAT
   SHOWS EVIDENCE OF THE RETAIL MARIJUANA HAVING BEEN CONSUMED OR
   PARTIALLY CONSUMED;

   (h) DISTRIBUTE MARIJUANA OR MARIJUANA PRODUCTS, WITH OR
   WITHOUT REMUNERATION, DIRECTLY TO ANOTHER PERSON USING A
   MOBILE DISTRIBUTION CENTER;

   (i) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105,
   C.R.S.; OR

   (j) 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) NOTWITHSTANDING THE PROVISIONS OF PART 2 OF ARTICLE
14 OF TITLE 25, C.R.S., NO PERSON SHALL FORM A BUSINESS OR
NON-PROFIT, INCLUDING BUT NOT LIMITED TO A SOLE PROPRIETORSHIP,
CORPORATIONS, OR OTHER BUSINESS ENTERPRISE, WITH THE PURPOSE OR
INTENT, IN WHOLE OR IN PART, OF TRANSPORTING, CULTIVATING,
PROCESSING, TRANSFERRING, OR DISTRIBUTING MARIJUANA OR MARIJUANA
PRODUCTS WITHOUT PRIOR APPROVAL OF THE STATE LICENSING
AUTHORITY AND THE LOCAL JURISDICTION.

(b) NOTHING IN THIS SUBSECTION (5) SHALL LIMIT AN INDIVIDUAL
FROM TAKING ACTIONS CONSISTENT WITH SECTION 16 (3) (b) OF ARTICLE
XVIII OF THE STATE CONSTITUTION.

(c) A VIOLATION OF THE PROVISIONS OF THIS SUBSECTION (5) SHALL
RESULT IN A FINE OF UP TO FIVE THOUSAND DOLLARS FOR EACH PERSON
INVOLVED.

(d) A VIOLATION OF THIS SUBSECTION (5) SHALL RESULT IN THE
AUTOMATIC REVOCATION OF ANY LICENSE ISSUED PURSUANT TO THIS
ARTICLE AND THE DENIAL OF ANY FUTURE LICENSE ISSUED PURSUANT TO
THIS ARTICLE.

(e) THIS SUBSECTION (5) IS REPEALED, EFFECTIVE JULY 1, 2015.

(6) 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, 2016.

(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.

PART 11

SEVERABILITY

12-43.4-1101. Severability. IF ANY PROVISION OF THIS ARTICLE FOUND BY A COURT OF COMPETENT JURISDICTION TO BE UNCONSTITUTIONAL, THE REMAINING PROVISIONS OF THIS ARTICLE ARE VALID, UNLESS IT APPEARS TO THE COURT THAT THE VALID PROVISIONS OF THE STATUTE ARE SO ESSENTIALLY AND INSEPARABLY CONNECTED WITH, AND SO DEPENDENT UPON, THE VOID PROVISION THAT IT CANNOT BE PRESUMED THAT THE LEGISLATURE WOULD HAVE ENACTED THE VALID PROVISIONS WITHOUT THE VOID ONE; OR UNLESS THE COURT DETERMINES THAT THE VALID PROVISIONS, STANDING ALONE, ARE INCOMPLETE AND ARE INCAPABLE OF BEING EXECUTED IN ACCORDANCE WITH THE LEGISLATIVE INTENT.

SECTION 6. In Colorado Revised Statutes, amend 16-2.5-124.5 as follows:

16-2.5-124.5. Director of marijuana enforcement and medical marijuana enforcement INVESTIGATOR. THE DIRECTOR OF THE
MARIJUANA ENFORCEMENT DIVISION OR A medical marijuana enforcement investigator is a peace officer while engaged in the performance of his or her duties and while acting under proper orders or rules pursuant to article 43.3 or 43.4 of title 12, C.R.S., and shall also include the enforcement of all laws of the state of Colorado and who may be certified by the P.O.S.T. board.

SECTION 7. In Colorado Revised Statutes, 24-34-104, add (47)
(d) as follows:

24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment. (47) The following agencies, functions, or both shall terminate on July 1, 2016:
(d) The regulation of persons licensed pursuant to article 43.4 of title 12, C.R.S.

SECTION 8. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the marijuana cash fund created in section 12-43.3-501 (1) (a), Colorado Revised Statutes, not otherwise appropriated, to the department of revenue, for the fiscal year beginning July 1, 2013, the sum of $1,227,026 and 2.7 FTE, or so much thereof as may be necessary, for personal services, legal services, the purchase of computer center services and other costs related to the implementation of this act.
(2) In addition to any other appropriation, there is hereby appropriated to the governor - lieutenant governor - state planning and budgeting, for the fiscal year beginning July 1, 2013, the sum of $73,700, or so much thereof as may be necessary, for allocation to the office of
information technology, for the provision of computer center services for
the department of revenue related to the implementation of this act. Said
sum is from reappropriated funds received from the department of
revenue out of the appropriation made in subsection (1) of this section.

(3) In addition to any other appropriation, there is hereby
appropriated to the department of law, for the fiscal year beginning July
1, 2013, the sum of $70,684 and 0.5 FTE, or so much thereof as may be
necessary, for the provision of legal services for the department of
revenue related to the implementation of this act. Said sum is from
reappropriated funds received from the department of revenue out of the
appropriation made in subsection (1) of this section.

(4) In addition to any other appropriation, there is hereby
appropriated, out of any moneys in the marijuana cash fund created in
section 12-43.3-501 (1) (a), Colorado Revised Statutes, not otherwise
appropriated, to the department of law, for the fiscal year beginning July
1, 2013, the sum of $76,000, or so much thereof as may be necessary, for
allocation to the criminal justice and appellate unit for peace officers
standards and training board support expenses related to the
implementation of section 24-31-313, Colorado Revised Statutes.

(5) In addition to any other appropriation, there is hereby
appropriated, out of any moneys in the laboratory cash fund created in
section 25-1.5-101 (1) (e) (II), Colorado Revised Statutes, not otherwise
appropriated, to the department of public health and environment, for the
fiscal year beginning July 1, 2013, the sum of $87,615 and 1.0 FTE, or so
much thereof as may be necessary, to be allocated to laboratory services
for chemistry and microbiology operating expenses for the
implementation of this act as follows:
(a) $72,815 and 1.0 FTE for personal services and operating
expenses; and
(b) $14,800 for the purchase of computer center services.

(6) In addition to any other appropriation, there is hereby
appropriated to the governor - lieutenant governor - state planning and
budgeting, for the fiscal year beginning July 1, 2013, the sum of $14,800,
or so much thereof as may be necessary, for allocation to the office of
information technology, for the provision of computer center services for
the department of public health and environment related to the
implementation of this act. Said sum is from reappropriated funds
received from the department of public health and environment out of the
appropriation made in paragraph (b) of subsection (6) of this section.

(7) In addition to any other appropriation, there is hereby
appropriated, out of any moneys in the Colorado bureau of investigation
identification unit fund created in section 24-33.5-426, Colorado Revised
Statutes, not otherwise appropriated, to the department of public safety,
for the fiscal year beginning July 1, 2013, the sum of $155,760 and 0.7
FTE, or so much thereof as may be necessary, for allocation to the
Colorado bureau of investigation for fingerprint-based background checks
related to the implementation of this act.

SECTION 9. Effective date.
(1) Except as otherwise provided
in this section, this act takes effect upon passage.
(2) Section 2 of this act takes effect only if Senate Bill 13-283
does not become law.
(3) Section 3 of this act takes effect only if Senate Bill 13-283
becomes law.
SECTION 10. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.