

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 19, 2013
Date

Committee on Public Health Care & Human Services.

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

HB13-1238 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 12-43.3-202, **add**
4 (3) as follows:

5 **12-43.3-202. Powers and duties of state licensing authority.**
6 (3) BY OCTOBER 31, 2013, THE STATE LICENSING AUTHORITY AND EACH
7 LOCAL LICENSING AUTHORITY FOR MEDICAL MARIJUANA SHALL PUBLISH
8 A REPORT ON ITS WEB SITE THAT SHOWS:

9 (a) THE NUMBER OF APPLICATIONS RECEIVED ON OR BEFORE
10 AUGUST 1, 2010, AND, OF THOSE APPLICATIONS, THE NUMBER OF LICENSES
11 GRANTED, THE NUMBER OF APPLICATIONS DENIED, THE NUMBER OF
12 APPLICATIONS PENDING, AND THE NUMBER OF APPLICATIONS WITHDRAWN;
13 AND

14 (b) THE NUMBER OF APPLICATIONS RECEIVED JULY 1, 2012,
15 THROUGH SEPTEMBER 30, 2013, AND, OF THOSE APPLICATIONS, THE
16 NUMBER OF LICENSES GRANTED, THE NUMBER OF APPLICATIONS DENIED,
17 THE NUMBER OF APPLICATIONS PENDING, AND THE NUMBER OF
18 APPLICATIONS WITHDRAWN.

19 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-305, **amend**
20 (2); and **add** (2.5) as follows:

21 **12-43.3-305. State licensing authority - application and**
22 **issuance procedures.** (2) The state licensing authority shall ~~not~~ issue a
23 state license TO A MEDICAL MARIJUANA CENTER, AN OPTIONAL PREMISES

1 CULTIVATION OPERATION, OR A MEDICAL MARIJUANA-INFUSED PRODUCTS
2 MANUFACTURER pursuant to this section ~~until the local licensing authority~~
3 ~~has approved the application for a local license and issued a local license~~
4 ~~as provided for in sections 12-43.3-301 to 12-43.3-303~~ UPON COMPLETION
5 OF THE APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED
6 WITH THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON
7 LOCAL LICENSING AUTHORITY APPROVAL. A LICENSE APPLICANT IS
8 PROHIBITED FROM OPERATING A LICENSED MEDICAL MARIJUANA BUSINESS
9 WITHOUT BOTH STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF
10 THE APPLICANT DOES NOT RECEIVE LOCAL LICENSING AUTHORITY
11 APPROVAL WITHIN ONE YEAR FROM THE DATE OF STATE LICENSING
12 AUTHORITY APPROVAL, THE STATE LICENSE SHALL EXPIRE AND MAY NOT
13 BE RENEWED. THE DENIAL OF AN APPLICATION BY THE LOCAL LICENSING
14 AUTHORITY MAY BE CONSIDERED AS A BASIS FOR THE STATE LICENSING
15 AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

16 (2.5) AN APPLICANT THAT HAS BEEN PERMITTED TO OPERATE A
17 MEDICAL MARIJUANA BUSINESS UNDER THE PROVISIONS OF SECTION
18 12-43.3-103 (1) (b) AND HAS BEEN ISSUED A CONDITIONAL LICENSE BY THE
19 STATE LICENSING AUTHORITY PURSUANT TO SUBSECTION (2) OF THIS
20 SECTION MAY CONTINUE TO OPERATE THE BUSINESS WHILE AN
21 APPLICATION IS PENDING WITH THE LOCAL LICENSING AUTHORITY. IF THE
22 LOCAL LICENSING AUTHORITY DENIES THE LICENSE APPLICATION, THE
23 MEDICAL MARIJUANA BUSINESS SHALL CEASE OPERATIONS UPON
24 RECEIVING THE DENIAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL
25 LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR FROM THE DATE OF
26 STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE SHALL
27 EXPIRE AND SHALL NOT BE RENEWED. THE DENIAL OF AN APPLICATION BY
28 THE LOCAL LICENSING AUTHORITY MAY BE CONSIDERED AS A BASIS FOR
29 THE STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

30 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-310, **amend**
31 (2), (3), (4), (6), (9) (b), and (12) as follows:

32 **12-43.3-310. Licensing in general.** (2) A medical marijuana
33 center, optional premises cultivation operation, or medical
34 marijuana-infused products manufacturer may not operate until it has
35 been licensed by ~~the local licensing authority~~ and the state licensing
36 authority pursuant to this article. IF THE STATE LICENSING AUTHORITY
37 ISSUES THE APPLICANT A STATE LICENSE AND THE LOCAL LICENSING
38 AUTHORITY SUBSEQUENTLY DENIES THE APPLICANT A LICENSE, THE STATE
39 LICENSING AUTHORITY MAY CONSIDER THE LOCAL LICENSING AUTHORITY
40 DENIAL AS A BASIS FOR THE REVOCATION OF THE STATE-ISSUED LICENSE.
41 In connection with a license, the applicant shall provide a complete and

1 accurate list of all owners, officers, and employees who ~~work at~~, manage,
2 own, or are otherwise SUBSTANTIALLY associated with the operation and
3 shall provide a complete and accurate application as required by the state
4 licensing authority.

5 (3) A medical marijuana center, optional premises cultivation
6 operation, or medical marijuana-infused products manufacturer shall
7 notify the state licensing authority in writing within ten days after an
8 owner, officer, MANAGER, or employee ceases to work at, manage, own,
9 or otherwise be associated with the operation. The owner, officer,
10 MANAGER, or employee shall surrender ~~his or her~~ TO THE STATE
11 LICENSING AUTHORITY ANY identification card ~~to~~ THAT MAY HAVE BEEN
12 ISSUED BY the state licensing authority on or before the date of the
13 notification.

14 (4) A medical marijuana center, optional premises cultivation
15 operation, or medical marijuana-infused products manufacturer shall
16 notify the state licensing authority in writing of the name, address, and
17 date of birth of an owner, officer, OR manager ~~or employee~~ before the
18 new owner, officer, MANAGER, or employee, begins ~~working at~~,
19 managing, owning, or ~~being associated~~ ASSOCIATING with the operation.
20 The owner, officer, manager or employee shall pass a fingerprint-based
21 criminal history record check as required by the state licensing authority
22 and obtain the required identification prior to being associated with,
23 managing, owning, or working at the operation.

24 (6) All officers AND managers and employees of a medical
25 marijuana center, optional premises cultivation operation, or medical
26 marijuana-infused products manufacturer shall be residents of Colorado
27 upon the date of their license application. An owner shall meet the
28 residency requirements in section 12-43.3-307 (1) (m). ~~A local licensing~~
29 ~~authority shall not issue a license provided for in this article until that~~
30 ~~share of the license application fee due to the state has been received by~~
31 ~~the department of revenue.~~ All licenses granted pursuant to this article
32 shall be valid for a period not to exceed two years after the date of
33 issuance unless revoked or suspended pursuant to this article or the rules
34 promulgated pursuant to this article.

35 (9) (b) A local licensing authority shall not transfer location of or
36 renew a license to sell medical marijuana until the applicant for the
37 license ~~produces~~ PROVIDES VERIFICATION THAT a license WAS issued and
38 granted by the state licensing authority ~~covering the whole period for~~
39 ~~which a license or license renewal is sought~~ FOR THE PREVIOUS LICENSE
40 TERM. THE STATE LICENSING AUTHORITY SHALL NOT TRANSFER LOCATION
41 OF OR RENEW A STATE LICENSE UNTIL THE APPLICANT PROVIDES

1 VERIFICATION THAT A LICENSE WAS ISSUED AND GRANTED BY THE LOCAL
2 LICENSING AUTHORITY FOR THE PREVIOUS LICENSE TERM.

3 (12) Each licensee shall manage the licensed premises himself or
4 herself or employ a separate and distinct manager on the premises and
5 shall report the name of the manager to the state and local licensing
6 authorities. The licensee shall report any change in manager to the state
7 and local licensing authorities ~~thirty days~~ prior to the change pursuant to
8 ~~section 12-43.3-309~~ SUBSECTION (4) OF THIS SECTION.

9 **SECTION 4. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety."

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