Second Regular Session Seventieth General Assembly STATE OF COLORADO

PREAMENDED

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

LLS NO. 16-0970.01 Thomas Morris x4218

HOUSE BILL 16-1266

HOUSE SPONSORSHIP

Becker K.,

SENATE SPONSORSHIP

Cooke.

House Committees Finance Appropriations **Senate Committees**

A BILL FOR AN ACT

101 CONCERNING THE DEPARTMENT OF REVENUE'S AUTHORITY OVER

102 MARIJUANA THAT CONTAINS CHEMICAL CONTAMINANTS.

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 <u>http://www.leg.state.co.us/billsummaries</u>.)

The bill allows the department of revenue to seize and destroy medical and retail marijuana that testing shows contains harmful contaminants, as determined by the department of public health and environment, or unauthorized pesticides.

 Shading denotes HOUSE amendment.
 Double underlining denotes SENATE amendment.

 Capital letters indicate new material to be added to existing statute.

 Dashes through the words indicate deletions from existing statute.

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

2 SECTION 1. In Colorado Revised Statutes, 12-43.3-202, amend
3 as it will become effective July 1, 2016, (2.5) (a) as follows:

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12-43.3-202. Powers and duties of state licensing authority rules. (2.5) (a) Rules promulgated pursuant to paragraph (b) of
subsection (1) of this section must include, but need not be limited to, the
following subjects:

8 (I) (A) establishing a medical marijuana and medical 9 marijuana-infused products independent testing and certification program 10 for medical marijuana licensees within an implementation time frame. 11 and requiring THE RULES MUST REQUIRE:

(I) Licensees to test medical marijuana to ensure, at a minimum,
that products sold for human consumption do not contain contaminants
that are injurious to health, AS DETERMINED BY THE DEPARTMENT OF
PUBLIC HEALTH AND ENVIRONMENT AND SET FORTH IN THE RULES,
INCLUDING PESTICIDES THAT ARE NOT AUTHORIZED PURSUANT TO SECTION
24-20-112 (1), C.R.S., and to ensure correct labeling;

(B) (II) Testing may TO include analysis for microbial and residual
solvents, PESTICIDES THAT ARE NOT AUTHORIZED PURSUANT TO SECTION
24-20-112 (1), C.R.S., and chemical and biological contaminants deemed
to be public health hazards by the Colorado department of public health
and environment based on medical reports and published scientific
literature;

(C) (III) In the event That IF test results indicate the presence of
 quantities of any substance determined to be injurious to health AS
 DETERMINED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
 AND SET FORTH IN THE RULES, INCLUDING PESTICIDES THAT ARE NOT

1 AUTHORIZED PURSUANT TO SECTION 24-20-112 (1), C.R.S.:

(A) The licensee shall immediately quarantine the products, and
notify the state licensing authority, The licensee shall AND, ONCE THE
DEPARTMENT HAS PROMULGATED A RULE TO IMPLEMENT THIS
SUB-SUBPARAGRAPH (A) AND AFTER THE PROCEDURES OF
SUB-SUBPARAGRAPH (C) OF THIS SUBPARAGRAPH (III) HAVE BEEN
COMPLIED WITH, document and properly destroy the adulterated product;
AND

9 (B) THE STATE LICENSING AUTHORITY MAY IMMEDIATELY
10 QUARANTINE THE PRODUCTS AND DOCUMENT AND PROPERLY DESTROY
11 THE ADULTERATED PRODUCT;

12 (C) BEFORE EITHER THE DEPARTMENT MAY, OR THE LICENSE 13 SHALL, DESTROY THE PRODUCTS, THE LICENSEE MAY CONTEST THE 14 RESULTS OF THE TEST BY FILING WRITTEN NOTICE WITH THE DEPARTMENT 15 WITHIN FIVE DAYS AFTER RECEIPT OF THE TEST RESULTS. THE 16 DEPARTMENT SHALL NOTIFY THE LICENSEE OF THIS OPPORTUNITY, SHALL 17 HOLD A HEARING ON THE MATTER WITHIN TWO WEEKS AFTER RECEIPT OF 18 THE NOTICE OF APPEAL, AND SHALL PROMPTLY DETERMINE THE MATTER 19 AND PROVIDE THE LICENSEE WITH WRITTEN NOTICE OF ITS 20 DETERMINATION.

(D) (IV) THAT testing shall also verify THC potency
 representations and homogeneity for correct labeling and provide a
 cannabinoid profile for the marijuana product;

(E) (V) The state licensing authority shall TO determine an
 acceptable variance for potency representations and procedures to address
 potency misrepresentations; AND

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(F) (VI) The state licensing authority shall TO determine the

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1 protocols and frequency of marijuana testing by licensees.

SECTION 2. In Colorado Revised Statutes, 12-43.4-202, amend
(3) (a) (IV) (A) and (3) (a) (IV) (C); and add (3) (a) (IV) (H) as follows:
12-43.4-202. Powers and duties of state licensing authority rules. (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:

8 Establishing a marijuana and marijuana products (IV) (A) 9 independent testing and certification program, within an implementation 10 time frame established by the department, requiring licensees to test 11 marijuana to ensure at a minimum that products sold for human 12 consumption do not contain contaminants that are injurious to health, AS 13 DETERMINED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT 14 AND SET FORTH IN THE RULES, INCLUDING PESTICIDES THAT ARE NOT 15 AUTHORIZED PURSUANT TO SECTION 24-20-112(1), C.R.S., and to ensure correct labeling. 16

17 (C) In the event that IF test results indicate the presence of 18 quantities of any substance determined BY THE DEPARTMENT OF PUBLIC 19 HEALTH AND ENVIRONMENT AND SET FORTH IN THE RULES to be injurious 20 to health, such INCLUDING PESTICIDES THAT ARE NOT AUTHORIZED 21 PURSUANT TO SECTION 24-20-112 (1), C.R.S., THE LICENSEE SHALL 22 IMMEDIATELY QUARANTINE THE products, shall be immediately 23 quarantined and immediate notification to the marijuana enforcement 24 division shall be made. The adulterated product shall be documented and 25 properly destroyed NOTIFY THE STATE LICENSING AUTHORITY, AND, ONCE 26 THE DEPARTMENT HAS PROMULGATED A RULE TO IMPLEMENT THIS 27 SUB-SUBPARAGRAPH (C) AND AFTER THE PROCEDURES OF

SUB-SUBPARAGRAPH (H) OF THIS SUBPARAGRAPH (IV) HAVE BEEN
 COMPLIED WITH, DOCUMENT AND PROPERLY DESTROY THE ADULTERATED
 PRODUCTS, AND THE STATE LICENSING AUTHORITY MAY IMMEDIATELY
 QUARANTINE THE PRODUCTS AND DOCUMENT AND PROPERLY DESTROY
 THE ADULTERATED PRODUCTS.

6 (H) BEFORE EITHER THE DEPARTMENT MAY, OR THE LICENSE 7 SHALL, DESTROY THE PRODUCTS, THE LICENSEE MAY CONTEST THE 8 RESULTS OF THE TEST BY FILING WRITTEN NOTICE WITH THE DEPARTMENT 9 WITHIN FIVE DAYS AFTER RECEIPT OF THE TEST RESULTS. THE 10 DEPARTMENT SHALL NOTIFY THE LICENSEE OF THIS OPPORTUNITY, SHALL 11 HOLD A HEARING ON THE MATTER WITHIN TWO WEEKS AFTER RECEIPT OF 12 THE NOTICE OF APPEAL, AND SHALL PROMPTLY DETERMINE THE MATTER 13 AND PROVIDE THE LICENSEE WITH WRITTEN NOTICE OF ITS 14 DETERMINATION.

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16 SECTION 3. Act subject to petition - effective date -17 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following 18 the expiration of the ninety-day period after final adjournment of the 19 general assembly (August 10, 2016, if adjournment sine die is on May 11, 20 2016); except that, if a referendum petition is filed pursuant to section 1 21 (3) of article V of the state constitution against this act or an item, section, 22 or part of this act within such period, then the act, item, section, or part 23 will not take effect unless approved by the people at the general election 24 to be held in November 2016 and, in such case, will take effect on the 25 date of the official declaration of the vote thereon by the governor.

26 (2) This act applies to conduct occurring on or after the applicable
27 effective date of this act.

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