

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 13-1317

BY REPRESENTATIVE(S) Pabon, Fischer, Labuda, Rosenthal, Singer, Fields, Hullinghorst, Melton;
also SENATOR(S) Jahn and Baumgardner, Crowder, Guzman, Heath, Hodge, Jones, Kerr, Nicholson, Steadman, Todd, Ulibarri.

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.

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

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

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

1, 2013.

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

SECTION 2. In Colorado Revised Statutes, 12-43.3-501, **amend** (1) as follows:

12-43.3-501. Marijuana cash fund - repeal. (1) (a) All moneys collected by the state licensing authority pursuant to this article AND ARTICLE 43.4 OF THIS TITLE shall be transmitted to the state treasurer, who shall credit the same to the ~~medical marijuana license~~ cash fund, which fund is hereby created and referred to in this section as the "fund". THE FUND CONSISTS OF:

(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 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 purposes of this article~~ 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.

(d) (I) ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE MEDICAL MARIJUANA CASH FUND AS OF JULY 1, 2013, IS APPROPRIATED TO THE STATE LICENSING AUTHORITY FOR THE FISCAL YEAR 2013-2014.

(II) THIS PARAGRAPH (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, OR HIGH SCHOOL OR INSTITUTION 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 ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

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

(II) ON AND AFTER JULY 1, 2014, PERSONS WHO DID NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (1) MAY APPLY FOR LICENSURE PURSUANT TO THIS ARTICLE. A LICENSE ISSUED TO A PERSON PURSUANT TO THIS SUBPARAGRAPH (II) IS NOT EFFECTIVE UNTIL OCTOBER 1, 2014.

(c) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (1), ON OR AFTER OCTOBER 1, 2013, A PERSON MAY APPLY FOR A RETAIL MARIJUANA TESTING FACILITY LICENSE.

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

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

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

(f) 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) (a) (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

CANNABANOIDS OR OTHER CHEMICALS, INCLUDING BUT NOT LIMITED TO CBD, AS DETERMINED RELEVANT BY THE STATE LICENSING AUTHORITY;

(G) A LIST OF THE NONORGANIC PESTICIDES, FUNGICIDES, HERBICIDES, AND SOLVENTS USED DURING CULTIVATION OR PRODUCTION;

(H) A STATEMENT TO THE EFFECT OF "THIS PRODUCT CONTAINS MARIJUANA AND WAS CULTIVATED OR PRODUCED WITHOUT REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY, AND THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION OF THE PRODUCT.";

(I) WARNING LABELS;

(J) SOLVENTS USED IN THE EXTRACTION PROCESS;

(K) AMOUNT OF THC PER SERVING AND THE NUMBER OF SERVINGS PER PACKAGE FOR MARIJUANA PRODUCTS;

(L) A LIST OF INGREDIENTS AND POSSIBLE ALLERGENS FOR 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 REVOKING 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 DECLINE 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 THIS ARTICLE.

(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.

(8) THE LICENSES ISSUED PURSUANT TO THIS ARTICLE MUST SPECIFY THE DATE OF ISSUANCE, THE PERIOD OF LICENSURE, THE NAME OF THE LICENSEE, AND THE PREMISES LICENSED. THE LICENSEE SHALL CONSPICUOUSLY PLACE THE LICENSE AT ALL TIMES ON THE LICENSED PREMISES.

(9) 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.

(10) 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.

(11) 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.

(12) (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 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 STORE.

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 SECTION 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, NONCONSUMABLE PRODUCTS SUCH AS APPAREL, AND MARIJUANA RELATED PRODUCTS SUCH AS CHILDPROOF 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 THIS TITLE.

(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 PREMISES CONTIGUOUS OR NOT CONTIGUOUS WITH THE LICENSED PREMISES 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 LICENSEE MAY SELL NO MORE THAN THIRTY PERCENT OF THE RETAIL MARIJUANA IT CULTIVATES TO ANOTHER RETAIL MARIJUANA CULTIVATION FACILITY OR TO A RETAIL MARIJUANA STORE OR RETAIL MARIJUANA PRODUCTS MANUFACTURER NOT OWNED BY THE OWNER OF THE 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 TITLE 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 SECTION 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 SECTION 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 PREMISES 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 PREMISES 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 DEEMED TO BE THE RESIDENCE OF THE STATE LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION. THE LICENSEE SHALL SERVE THE PETITION IN ACCORDANCE WITH THE COLORADO RULES OF CIVIL PROCEDURE. THE DISTRICT COURT SHALL PROMPTLY RULE UPON THE PETITION AND DETERMINE WHETHER THE LICENSEE HAS A SUBSTANTIAL LIKELIHOOD OF SUCCESS ON JUDICIAL REVIEW SO AS TO WARRANT DELAY OF THE DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION OR WHETHER OTHER CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO THE NEED FOR PRESERVATION OF EVIDENCE, WARRANT DELAY OF SUCH DESTRUCTION. IF DESTRUCTION IS SO DELAYED PURSUANT TO JUDICIAL ORDER, THE COURT SHALL ISSUE AN ORDER SETTING FORTH TERMS AND CONDITIONS PURSUANT TO WHICH THE LICENSEE MAY MAINTAIN THE RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCT PENDING JUDICIAL REVIEW, AND PROHIBITING THE LICENSEE FROM USING OR DISTRIBUTING THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT PENDING THE REVIEW. THE LICENSING AUTHORITY SHALL NOT CARRY OUT THE DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION UNTIL FIFTEEN DAYS HAVE PASSED WITHOUT THE FILING OF A PETITION FOR STAY OF AGENCY ACTION, OR UNTIL THE COURT HAS ISSUED AN ORDER DENYING

STAY OF AGENCY ACTION PURSUANT TO THIS SUBSECTION (5).

(6) 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 NONPROFIT, 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.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

John P. Morse
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO