



Legislative Council Staff
Research Note

Version: Final

Date: 10/6/2016

Bill Number

House Bill 16-1211

Sponsors

***Representative Melton
Senators Baumgardner & Jahn***

Short Title

Marijuana Transporter License

Research Analyst

Luisa Altmann (x3518)

Status

This research note reflects the final version of the bill, which became effective on August 10, 2016.

Summary

This bill creates state medical and retail marijuana transporter licenses to be issued by the Marijuana Enforcement Division (MED) in the Colorado Department of Revenue, and allows for the issuance of a local medical marijuana transporter license. A marijuana transporter provides logistics, distribution, and storage of medical and retail marijuana and marijuana-infused products, but is not authorized to sell marijuana under any circumstances. All marijuana transporters must be licensed by July 1, 2017, with the exception of a marijuana transporter for a medical marijuana business or retail marijuana establishment that provides its own distribution. The MED must begin accepting applications after January 1, 2017.

State marijuana transporter licenses are valid for two years and cannot be transferred with a change of ownership. Marijuana transporters may operate a licensed off premises storage facility that meets the same security requirements as a medical marijuana optional premise cultivation license or a retail marijuana cultivation license as long as it is located in a jurisdiction that allows its operation.

Marijuana transporters are required to use the MED seed-to-sale tracking system to create shipping manifests documenting the transport of medical and retail marijuana and marijuana-infused products throughout the state. A marijuana transporter is responsible for all medical and retail marijuana and marijuana-infused products once it takes control of the product. Marijuana transporters may contract with multiple medical and retail marijuana licensees.

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Background

The MED currently has 12 couriers registered as vendors that provide delivery services for the medical and retail marijuana industry. Couriers must have a manifest created by a licensed medical marijuana business or retail marijuana establishment in order to lawfully transport marijuana. To be an MED registered vendor, applicants:

- must be at least 21;
- may not have any controlled substance felony convictions or any other felony convictions that have not been fully discharged five years prior to applying;
- may not have any delinquent government or child support debt;
- must be a Colorado resident at the time of application; and
- must pay a fee.

House Action

House Business Affairs and Labor Committee (February 25, 2016). At the hearing, representatives from Ballpark Dispensary, Colorado Cannabis Chamber of Commerce, and the Marijuana Industry Group testified in support of the bill. A representative from the MED responded to questions from the committee. The committee adopted amendment L.002, as amended by L.005, and amendment L.004, and referred the bill to the House Finance Committee.

Amendment L.002, as amended by L.005:

- added a definition for "medical marijuana transporter" and "retail marijuana transporter;"
- gave authority to the MED to promulgate rules related to marijuana transporters;
- made the transporter license valid for three years instead of five;
- removed the requirement that transporters include a copy of each contract entered into with marijuana businesses when submitting a license application;
- required all transporters to hold a license by July 1, 2017, instead of January 1, 2018;
- required the MED to begin accepting applications after January 1, 2017;
- removed the ability of transporters to take orders for marijuana or package marijuana; and
- removed specific requirements that must be met in order for a contract between a business and a transporter to be terminated.

Amendment L.004 required any licensed premises that licensed transporters operate to temporarily store marijuana as a centralized distribution point to be located in a jurisdiction that permits the operation of medical and/or retail marijuana stores.

House Finance Committee (March 3, 2016). The committee referred the bill, unamended, to the House Appropriations Committee.

House Appropriations Committee (April 7, 2016). The committee adopted amendment J.001, which added an appropriation, and referred the bill to the House Committee of the Whole.

House second reading (April 12, 2016). The House adopted the House Business Affairs and Labor and the House Appropriations Committee reports and passed the bill on second reading.

House third reading (April 14, 2016). The House passed the bill, unamended, on third reading.

Senate Action

Senate Transportation Committee (April 26, 2016). At the hearing, representatives from the Colorado Cannabis Chamber of Commerce, DV Logistics, and Colorado Motor Carriers Association testified in support of the bill. The committee adopted amendment L.007 and referred the bill to the Senate Finance Committee.

Amendment L.007 made a transporter license valid for two years instead of three and removed language added by House Bill 16-1261 related to retail marijuana transporter licenses.

Senate Finance Committee (May 3, 2016). The committee referred the bill, unamended, to the Senate Appropriations Committee.

Senate Appropriations Committee (May 5, 2016). The committee referred the bill, unamended, to the Senate Committee of the Whole.

Senate second reading (May 5, 2016). The Senate adopted the Senate Transportation Committee report and passed the bill on second reading.

Senate third reading (May 6, 2016). The Senate passed the bill, unamended, on third reading.