

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0897.04 Michael Dohr x4347

HOUSE BILL 13-1317

HOUSE SPONSORSHIP

Pabon,

SENATE SPONSORSHIP

(None),

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE RECOMMENDATIONS MADE IN THE PUBLIC PROCESS
102 FOR THE PURPOSE OF IMPLEMENTING RETAIL MARIJUANA
103 LEGALIZED BY SECTION 16 OF ARTICLE XVIII OF THE
104 COLORADO CONSTITUTION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Sections 1 through 4. The bill converts the medical marijuana enforcement division to the marijuana enforcement division and gives the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

division the authority to regulate medical marijuana and retail marijuana. The bill allows the division to receive moneys from the general fund. The bill deposits all of the application and licensing fees and sales, use, and special marijuana sales taxes from retail marijuana into a cash fund and permits supplementing the fund with moneys from the general fund to allow the division to operate. Once the division achieves a balance of cash funds sufficient to support the division, any excess revenue up to the amount of general fund moneys provided shall be transferred to the general fund. The bill sets the application fees for applicants who are current medical marijuana licensees or applicants at \$500 and at \$5,000 for new applicants. One half of the fee is transferred to the local jurisdiction. On September 30, 2014, and each year thereafter, the state licensing authority must provide a report to the joint budget committee and the finance committees regarding the amount of revenue generated by retail marijuana and its regulatory work.

The bill creates the regulatory framework for retail marijuana. The bill allows an existing medical marijuana licensee or an existing medical marijuana applicant the opportunity to apply for a retail marijuana license with the option of converting its operation to a retail marijuana business or retaining a medical marijuana business and adding a retail marijuana business. The bill places a 3-month moratorium on retail marijuana license applications from individuals who are not currently licensed for medical marijuana or an applicant for a medical marijuana license. The state licensing authority must act upon the applications no sooner than 45 days after receipt and no later than 90 days after receipt. The following businesses must be licensed to operate a retail marijuana business: retail marijuana stores, retail marijuana products manufacturers, retail marijuana cultivation facilities, and marijuana testing facilities. The bill allows the state licensing authority to issue a state license that is conditioned on the local jurisdiction's approval.

The bill requires the state licensing authority to promulgate rules as required by the constitution and authorizes the state licensing authority to promulgate other rules with the assistance of the department of public health and environment.

The bill describes persons who are prohibited from being licensees and requires license applicants to undergo a background check. The bill also limits the areas where a licensed operation may be located. The state licensing authority may set fees for the various types of licenses it issues. The bill requires all officers, managers, and employees of a retail marijuana business to be residents of Colorado. All owners must be residents of Colorado for at least 2 years prior to applying for licensure.

A licensed retail marijuana store and licensed retail marijuana products manufacturer may either grow its own marijuana or purchase it from a retail marijuana cultivation facility.

A retail marijuana store may only sell one-fourth of an ounce of

marijuana to a nonresident during a single transaction. A retail marijuana store may not sell any retail marijuana product that contains nicotine or alcohol. A retail marijuana store must place each sold item in a sealed nontransparent container at the point of sale.

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

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

4 **12-43.3-201. State licensing authority - creation.** (1) For the
5 purpose of regulating and controlling the licensing of the cultivation,
6 manufacture, distribution, and sale of medical marijuana AND RETAIL
7 MARIJUANA in this state, there is hereby created the state licensing
8 authority, which shall be the executive director of the department of
9 revenue or the deputy director of the department of revenue if the
10 executive director so designates. THE STATE LICENSING AUTHORITY SHALL
11 ADOPT REGULATIONS REGARDING RETAIL MARIJUANA BY JULY 1, 2013.

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

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

3 **12-43.3-501. Marijuana cash fund - repeal.** (1) (a) All moneys
4 collected by the state licensing authority pursuant to this article AND
5 ARTICLE 43.4 OF THIS TITLE shall be transmitted to the state treasurer, who
6 shall credit the same to the ~~medical~~ marijuana ~~license~~ cash fund, which
7 fund is hereby created and referred to in this section as the "fund". THE
8 FUND CONSISTS OF the moneys in the fund SO COLLECTED, ANY EXCISE
9 TAX OR ADDITIONAL SALES TAX IMPOSED PURSUANT TO ARTICLE 28.8 OF
10 TITLE 39, C.R.S., ANY OTHER SALES TAX, AND ANY ADDITIONAL GENERAL
11 FUND MONEYS APPROPRIATED TO THE FUND THAT ARE NECESSARY FOR THE
12 OPERATION OF THE STATE LICENSING AUTHORITY. MONEY IN THE FUND
13 shall be subject to annual appropriation by the general assembly to the
14 department of revenue for the direct and indirect costs associated with
15 implementing this article AND ARTICLE 43.4 OF THIS TITLE. Any moneys
16 in the fund not expended for the purpose of this article OR ARTICLE 43.4
17 OF THIS TITLE may be invested by the state treasurer as provided by law.
18 All interest and income derived from the investment and deposit of
19 moneys in the fund shall be credited to the fund. Any unexpended and
20 unencumbered moneys remaining in the fund at the end of a fiscal year
21 shall remain in the fund and shall not be credited or transferred to the
22 general fund or another fund. UPON A DETERMINATION BY THE GENERAL
23 ASSEMBLY THAT THE DEPARTMENT OF REVENUE HAS ESTABLISHED A
24 SUFFICIENT REVENUE STREAM TO FUND THE STATE LICENSING
25 AUTHORITY'S REGULATORY EFFORTS AND ALL OTHER PROGRAMS TO BE
26 FUNDED BY THE FUND, THE GENERAL ASSEMBLY SHALL DIRECT THE STATE
27 TREASURER TO TRANSFER ANY EXCESS BALANCE IN THE FUND TO THE

1 GENERAL FUND TO REPAY ANY APPROPRIATION MADE FROM THE GENERAL
2 FUND TO INITIALLY SUPPORT THE SPENDING AUTHORITY OF THE STATE
3 LICENSING AUTHORITY.

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

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

8 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-43.3-502
9 as follows:

10 **12-43.3-502. Fees - allocation.** (1) Except as otherwise provided,
11 all fees and fines provided for by this article AND ARTICLE 43.4 OF THIS
12 TITLE shall be paid to the department of revenue, which shall transmit the
13 fees to the state treasurer. The state treasurer shall credit the fees to the
14 ~~medical marijuana license~~ cash fund created in section 12-43.3-501.

15 (2) The expenditures of the state licensing authority shall be paid
16 out of appropriations from the ~~medical marijuana license~~ cash fund
17 created in section 12-43.3-501.

18 **SECTION 4.** In Colorado Revised Statutes, **add** article 43.4 to
19 title 12 as follows:

20 **ARTICLE 43.4**

21 **Colorado Retail Marijuana Code**

22 **PART 1**

23 **COLORADO RETAIL MARIJUANA CODE**

24 **12-43.4-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND
25 MAY BE CITED AS THE "COLORADO RETAIL MARIJUANA CODE".

26 **12-43.4-102. Legislative declaration.** (1) THE GENERAL
27 ASSEMBLY HEREBY DECLARES THAT THIS ARTICLE SHALL BE DEEMED AN

1 EXERCISE OF THE POLICE POWERS OF THE STATE FOR THE PROTECTION OF
2 THE ECONOMIC AND SOCIAL WELFARE AND THE HEALTH, PEACE, AND
3 MORALS OF THE PEOPLE OF THIS STATE.

4 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT IT IS
5 UNLAWFUL UNDER STATE LAW TO CULTIVATE, MANUFACTURE,
6 DISTRIBUTE, OR SELL RETAIL MARIJUANA, EXCEPT IN COMPLIANCE WITH
7 THE TERMS, CONDITIONS, LIMITATIONS, AND RESTRICTIONS IN SECTION 16
8 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE.

9 **12-43.4-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
10 CONTEXT OTHERWISE REQUIRES:

11 (1) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
12 THE DEPARTMENT OF REVENUE.

13 (2) "GOOD CAUSE", FOR PURPOSES OF REFUSING OR DENYING A
14 LICENSE RENEWAL, REINSTATEMENT, OR INITIAL LICENSE ISSUANCE,
15 MEANS:

16 (a) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,
17 OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR
18 PROVISIONS OF THIS ARTICLE, ANY RULES PROMULGATED PURSUANT TO
19 THIS ARTICLE, OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR
20 REGULATIONS;

21 (b) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY
22 SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE
23 PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;

24 (c) THE LICENSED PREMISES HAVE BEEN OPERATED IN A MANNER
25 THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE
26 IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.

27 (3) "IMMATURE PLANT" MEANS A NONFLOWERING MARIJUANA

1 PLANT THAT IS NO TALLER THAN EIGHT INCHES AND NO WIDER THAN EIGHT
2 INCHES IS PRODUCED FROM A CUTTING, CLIPPING, OR SEEDLING, AND IS IN
3 A GROWING CONTAINER THAT IS NO LARGER THAN TWO INCHES WIDE AND
4 TWO INCHES TALL THAT IS SEALED ON THE SIDES AND BOTTOM.

5 (4) "LICENSE" MEANS TO GRANT A LICENSE OR REGISTRATION
6 PURSUANT TO THIS ARTICLE.

7 (5) "LICENSED PREMISES" MEANS THE PREMISES SPECIFIED IN AN
8 APPLICATION FOR A LICENSE UNDER THIS ARTICLE, WHICH ARE OWNED OR
9 IN POSSESSION OF THE LICENSEE AND WITHIN WHICH THE LICENSEE IS
10 AUTHORIZED TO CULTIVATE, MANUFACTURE, DISTRIBUTE, SELL, OR TEST
11 RETAIL MARIJUANA IN ACCORDANCE WITH THIS ARTICLE.

12 (6) "LICENSEE" MEANS A PERSON LICENSED OR REGISTERED
13 PURSUANT TO THIS ARTICLE.

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

16 (8) "LOCAL LICENSING AUTHORITY" MEANS, FOR ANY LOCAL
17 JURISDICTION THAT HAS CHOSEN TO ADOPT A LOCAL LICENSING
18 REQUIREMENT IN ADDITION TO THE STATE LICENCING REQUIREMENTS OF
19 THIS ARTICLE, AN AUTHORITY DESIGNATED BY MUNICIPAL, COUNTY, OR
20 CITY AND COUNTY CHARTER, ORDINANCE, OR RESOLUTION, OR THE
21 GOVERNING BODY OF A MUNICIPALITY OR CITY AND COUNTY, OR THE
22 BOARD OF COUNTY COMMISSIONERS OF A COUNTY IF NO SUCH AUTHORITY
23 IS DESIGNATED.

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

26 (10) "MARIJUANA ACCESSORIES" HAS THE SAME MEANING AS
27 DEFINED IN SECTION 16 (2) (g) OF ARTICLE XVIII OF THE STATE

1 CONSTITUTION.

2 (11) "OPERATING FEES", AS REFERRED TO IN SECTION 16 (5) (f) OF
3 ARTICLE XVIII OF THE STATE CONSTITUTION, MEANS FEES THAT MAY BE
4 CHARGED BY A LOCAL GOVERNMENT FOR COSTS, INCLUDING BUT NOT
5 LIMITED TO INSPECTION, ADMINISTRATION, AND ENFORCEMENT OF
6 BUSINESSES AUTHORIZED PURSUANT TO THIS ARTICLE.

7 (12) "PERSON" MEANS A NATURAL PERSON, PARTNERSHIP,
8 ASSOCIATION, COMPANY, CORPORATION, LIMITED LIABILITY COMPANY, OR
9 ORGANIZATION.

10 (13) "PREMISES" MEANS A DISTINCT AND DEFINITE LOCATION,
11 WHICH MAY INCLUDE A BUILDING, A PART OF A BUILDING, A ROOM, OR ANY
12 OTHER DEFINITE CONTIGUOUS AREA.

13 (14) "RETAIL MARIJUANA" HAS THE SAME MEANING AS
14 "MARIJUANA" OR "MARIHUANA" AS DEFINED IN SECTION 16 (2) (f) OF
15 ARTICLE XVIII OF THE STATE CONSTITUTION.

16 (15) "RETAIL MARIJUANA CULTIVATION FACILITY" HAS THE SAME
17 MEANING AS "MARIJUANA CULTIVATION FACILITY" AS DEFINED IN SECTION
18 16 (2) (h) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

19 (16) "RETAIL MARIJUANA ESTABLISHMENT" MEANS A RETAIL
20 MARIJUANA STORE, A RETAIL MARIJUANA CULTIVATION FACILITY, A
21 RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR A RETAIL MARIJUANA
22 TESTING FACILITY.

23 (17) "RETAIL MARIJUANA PRODUCTS MANUFACTURER" HAS THE
24 SAME MEANING AS "MARIJUANA PRODUCT MANUFACTURING FACILITY" AS
25 DEFINED IN SECTION 16 (2) (j) OF ARTICLE XVIII OF THE STATE
26 CONSTITUTION.

27 (18) "RETAIL MARIJUANA STORE" HAS THE SAME MEANING AS

1 DEFINED IN SECTION 16 (2) (n) OF ARTICLE XVIII OF THE STATE
2 CONSTITUTION.

3 (19) "RETAIL MARIJUANA TESTING FACILITY" HAS THE SAME
4 MEANING AS "MARIJUANA TESTING FACILITY" AS DEFINED IN SECTION 16
5 (2) (l) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

6 (20) "SCHOOL" MEANS A PUBLIC OR PRIVATE PRESCHOOL OR A
7 PUBLIC OR PRIVATE ELEMENTARY, MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL.

8 (21) "STATE LICENSING AUTHORITY" MEANS THE AUTHORITY
9 CREATED FOR THE PURPOSE OF REGULATING AND CONTROLLING THE
10 LICENSING OF THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE
11 OF RETAIL MARIJUANA IN THIS STATE, PURSUANT TO SECTION 12-43.4-201.

12 **12-43.4-104. Applicability - retail marijuana - repeal.**

13 (1) (a) (I) ON OR AFTER OCTOBER 1, 2013, A PERSON, WHO IS OPERATING
14 IN GOOD STANDING A LICENSED MEDICAL MARIJUANA CENTER, AN
15 OPTIONAL PREMISES CULTIVATION LICENSE, OR A LICENSED MEDICAL
16 MARIJUANA-INFUSED PRODUCTS BUSINESS OR A PERSON WHO HAD A
17 PENDING APPLICATION WITH THE STATE LICENSING AUTHORITY PRIOR TO
18 DECEMBER 10, 2012, AND HAS NOT YET HAD THAT APPLICATION
19 APPROVED, MAY APPLY FOR A RETAIL MARIJUANA ESTABLISHMENT
20 LICENSE UNDER THIS ARTICLE.

21 (II) AN APPLICANT PURSUANT TO THIS PARAGRAPH (a) SHALL
22 INDICATE WHETHER HE OR SHE WANTS TO SURRENDER THE CURRENT
23 MEDICAL MARIJUANA LICENSE OR INTENDS TO RETAIN THE LICENSE IN
24 ADDITION TO THE RETAIL MARIJUANA ESTABLISHMENT LICENSE.

25 (III) IF THE APPLICANT INDICATES A DESIRE TO SURRENDER THE
26 MEDICAL MARIJUANA LICENSE, THE APPLICANT SHALL CONTINUE TO
27 OPERATE UNDER THAT LICENSE UNTIL A RETAIL MARIJUANA

1 ESTABLISHMENT LICENSE IS APPROVED. IF THE RETAIL MARIJUANA
2 ESTABLISHMENT LICENSE IS GRANTED, THE APPLICANT SHALL HAVE
3 FOURTEEN DAYS TO SURRENDER THE MEDICAL MARIJUANA LICENSE TO THE
4 STATE LICENSING AUTHORITY. IF THE RETAIL MARIJUANA LICENSE IS
5 GRANTED, ALL MEDICAL MARIJUANA PLANTS AND INVENTORY SHALL
6 BECOME RETAIL MARIJUANA PLANTS AND INVENTORY ON THE DATE OF THE
7 RETAIL MARIJUANA ESTABLISHMENT LICENSE.

8 (IV) AN APPLICANT PURSUANT TO THIS PARAGRAPH (a) MAY APPLY
9 FOR A RETAIL MARIJUANA ESTABLISHMENT LICENSE AND RETAIN THE
10 MEDICAL MARIJUANA LICENSE. THE APPLICANT MAY APPLY TO HAVE THE
11 MEDICAL MARIJUANA LICENSED OPERATION AND THE RETAIL MARIJUANA
12 ESTABLISHMENT AT THE SAME LOCATION ONLY IF THE LOCAL JURISDICTION
13 PERMITS THE MEDICAL MARIJUANA LICENSED OPERATION AND THE RETAIL
14 MARIJUANA ESTABLISHMENT TO BE OPERATED AT THE SAME LOCATION. AT
15 THE TIME THAT THE RETAIL MARIJUANA ESTABLISHMENT LICENSE IS
16 GRANTED, THE APPLICANT SHALL IDENTIFY THE MEDICAL MARIJUANA
17 INVENTORY THAT WILL BECOME RETAIL MARIJUANA INVENTORY UPON
18 RECEIVING THE RETAIL MARIJUANA ESTABLISHMENT LICENSE.

19 (V) AN APPLICANT PURSUANT TO THIS PARAGRAPH (a) WHO
20 RETAINS A MEDICAL MARIJUANA LICENSE AND OBTAINS A RETAIL
21 MARIJUANA ESTABLISHMENT LICENSE FOR THE TWO LICENSED PREMISES
22 MUST MAINTAIN ACTUAL PHYSICAL SEPARATION BETWEEN THE TWO
23 FACILITIES.

24 (VI) (A) NO RETAIL MARIJUANA LICENSE SHALL BE EFFECTIVE
25 UNTIL JANUARY 1, 2014. NOTWITHSTANDING THE PROVISIONS OF
26 SUBSECTION (3) OF THIS PARAGRAPH (a), AN APPLICANT MAY CONTINUE TO
27 OPERATE UNDER THE MEDICAL MARIJUANA LICENSE AND ALL PLANTS AND

1 INVENTORY REMAIN MEDICAL MARIJUANA UNTIL THAT DATE.

2 (B) THIS SUBPARAGRAPH (VI) IS REPEALED, EFFECTIVE JULY 1,
3 2014.

4 (b) AFTER JANUARY 1, 2014, PERSONS WHO DID NOT MEET
5 REQUIREMENTS OF SUBSECTION (I) OF PARAGRAPH (a) OF THIS SECTION
6 MAY APPLY FOR LICENSURE PURSUANT TO THIS ARTICLE.

7 (2) (a) A PERSON APPLYING PURSUANT TO SUBSECTION (1) OF THIS
8 SECTION SHALL COMPLETE FORMS AS PROVIDED BY THE STATE LICENSING
9 AUTHORITY AND SHALL PAY THE APPLICATION FEE AND THE LICENSING
10 FEE, WHICH SHALL BE CREDITED TO THE RETAIL MARIJUANA LICENSE CASH
11 FUND ESTABLISHED PURSUANT TO SECTION 12-43.4-501. IF THE LICENSE
12 IS DENIED, THE STATE LICENSING AUTHORITY SHALL REFUND THE
13 LICENSING FEE TO THE APPLICANT.

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

18 (c) A LICENSEE MAY APPLY TO THE LOCAL AND STATE LICENSING
19 AUTHORITIES REGARDING CHANGES TO A LICENSE AND MAY APPLY FOR A
20 NEW LICENSE IF THE LICENSE IS FOR A BUSINESS THAT HAS BEEN LICENSED
21 AND THE PERSON IS PURCHASING THAT BUSINESS OR IF THE BUSINESS IS
22 CHANGING LICENSE TYPE.

23 (3) AS PROVIDED IN SECTION 16 (5) (f) OF ARTICLE XVIII OF THE
24 STATE CONSTITUTION, ANY LOCAL JURISDICTION MAY ENACT ORDINANCES
25 OR REGULATIONS GOVERNING THE TIME, PLACE, MANNER, AND NUMBER OF
26 RETAIL MARIJUANA ESTABLISHMENTS, WHICH MAY INCLUDE A LOCAL
27 LICENSING REQUIREMENT, OR MAY PROHIBIT THE OPERATION OF RETAIL

1 MARIJUANA ESTABLISHMENTS THROUGH THE ENACTMENT OF AN
2 ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE.

3 (4) THIS ARTICLE SETS FORTH THE EXCLUSIVE MEANS BY WHICH
4 MANUFACTURE, SALE, DISTRIBUTION, DISPENSING, AND TESTING OF RETAIL
5 MARIJUANA MAY OCCUR IN THE STATE OF COLORADO.

6 (5) (a) NOTHING IN THIS ARTICLE IS INTENDED TO REQUIRE AN
7 EMPLOYER TO PERMIT OR ACCOMMODATE THE USE, CONSUMPTION,
8 POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE, GROWING, OR
9 TESTING OF MARIJUANA IN THE WORKPLACE OR TO AFFECT THE ABILITY OF
10 EMPLOYERS TO HAVE POLICIES RESTRICTING THE USE OF MARIJUANA BY
11 EMPLOYEES.

12 (b) NOTHING IN THIS ARTICLE PROHIBITS A PERSON, EMPLOYER,
13 SCHOOL, HOSPITAL, DETENTION FACILITY, CORPORATION, OR ANY OTHER
14 ENTITY WHO OCCUPIES, OWNS, OR CONTROLS A PROPERTY FROM
15 PROHIBITING OR OTHERWISE REGULATING THE POSSESSION, CONSUMPTION,
16 USE, DISPLAY, TRANSFER, DISTRIBUTION, SALE, TRANSPORTATION,
17 GROWING, OR TESTING OF MARIJUANA ON OR IN THAT PROPERTY.

18 **12-43.4-105. Limited access areas.** SUBJECT TO THE PROVISIONS
19 OF SECTION 12-43.3-701, A LIMITED ACCESS AREA SHALL BE A BUILDING,
20 ROOM, OR OTHER CONTIGUOUS AREA UPON THE LICENSED PREMISES
21 WHERE RETAIL MARIJUANA IS GROWN, CULTIVATED, STORED, WEIGHED,
22 PACKAGED, OR TESTED, UNDER CONTROL OF THE LICENSEE, WITH LIMITED
23 ACCESS TO ONLY THOSE PERSONS LICENSED BY THE STATE LICENSING
24 AUTHORITY. ALL AREAS OF INGRESS OR EGRESS TO LIMITED ACCESS AREAS
25 SHALL BE CLEARLY IDENTIFIED AS SUCH BY A SIGN AS DESIGNATED BY THE
26 STATE LICENSING AUTHORITY.

27 PART 2

1 STATE LICENSING AUTHORITY

2 **12-43.4-201. State licensing authority.** FOR THE PURPOSE OF
3 REGULATING AND CONTROLLING THE LICENSING OF THE CULTIVATION,
4 MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF RETAIL MARIJUANA
5 IN THIS STATE, THE STATE LICENSING AUTHORITY CREATED IN SECTION
6 12-43.3-201, SHALL ALSO HAVE REGULATORY AUTHORITY FOR RETAIL
7 MARIJUANA AS PERMITTED IN SECTION 16 OF ARTICLE XVIII OF THE STATE
8 CONSTITUTION AND THIS ARTICLE.

9 **12-43.4-202. Powers and duties of state licensing authority.**

10 (1) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO:

11 (a) GRANT OR REFUSE STATE LICENSES FOR THE CULTIVATION,
12 MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF RETAIL MARIJUANA
13 AS PROVIDED BY LAW; SUSPEND, FINE, RESTRICT, OR REVOKE SUCH
14 LICENSES UPON A VIOLATION OF THIS ARTICLE, OR ANY RULE
15 PROMULGATED PURSUANT TO THIS ARTICLE; AND IMPOSE ANY PENALTY
16 AUTHORIZED BY THIS ARTICLE OR ANY RULE PROMULGATED PURSUANT TO
17 THIS ARTICLE. THE STATE LICENSING AUTHORITY MAY TAKE ANY ACTION
18 WITH RESPECT TO A REGISTRATION PURSUANT TO THIS ARTICLE AS IT MAY
19 WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE, IN ACCORDANCE
20 WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE.

21 (b) PROMULGATE SUCH RULES AND SUCH SPECIAL RULINGS AND
22 FINDINGS AS NECESSARY FOR THE PROPER REGULATION AND CONTROL OF
23 THE CULTIVATION, MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF
24 RETAIL MARIJUANA AND FOR THE ENFORCEMENT OF THIS ARTICLE;

25 (c) HEAR AND DETERMINE AT A PUBLIC HEARING ANY CONTESTED
26 STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND
27 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF

1 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
2 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
3 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S. THE STATE LICENSING
4 AUTHORITY MAY, AT ITS DISCRETION, DELEGATE TO THE DEPARTMENT OF
5 REVENUE HEARING OFFICERS THE AUTHORITY TO CONDUCT LICENSING,
6 DISCIPLINARY, AND RULE-MAKING HEARINGS UNDER SECTION 24-4-105,
7 C.R.S. WHEN CONDUCTING SUCH HEARINGS, THE HEARING OFFICERS ARE
8 EMPLOYEES OF THE STATE LICENSING AUTHORITY UNDER THE DIRECTION
9 AND SUPERVISION OF THE EXECUTIVE DIRECTOR AND THE STATE LICENSING
10 AUTHORITY.

11 (d) MAINTAIN THE CONFIDENTIALITY OF REPORTS OR OTHER
12 INFORMATION OBTAINED FROM A LICENSEE. SUCH REPORTS OR OTHER
13 INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS
14 ARTICLE OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT
15 PURPOSE.

16 (e) DEVELOP SUCH FORMS, LICENSES, IDENTIFICATION CARDS, AND
17 APPLICATIONS AS ARE NECESSARY OR CONVENIENT IN THE DISCRETION OF
18 THE STATE LICENSING AUTHORITY FOR THE ADMINISTRATION OF THIS
19 ARTICLE OR ANY OF THE RULES PROMULGATED UNDER THIS ARTICLE; AND

20 (f) PREPARE AND TRANSMIT ANNUALLY, IN THE FORM AND
21 MANNER PRESCRIBED BY THE HEADS OF THE PRINCIPAL DEPARTMENTS
22 PURSUANT TO SECTION 24-1-136, C.R.S., A REPORT ACCOUNTING TO THE
23 GOVERNOR FOR THE EFFICIENT DISCHARGE OF ALL RESPONSIBILITIES
24 ASSIGNED BY LAW OR DIRECTIVE TO THE STATE LICENSING AUTHORITY.

25 (2) (a) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
26 SUBSECTION (1) OF THIS SECTION MUST INCLUDE, BUT NEED NOT BE
27 LIMITED TO, THE FOLLOWING SUBJECTS:

1 (I) PROCEDURES CONSISTENT WITH THIS ARTICLE FOR THE
2 ISSUANCE, RENEWAL, SUSPENSION, AND REVOCATION OF LICENSES TO
3 OPERATE RETAIL MARIJUANA ESTABLISHMENTS;

4 (II) SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 16 (5)
5 (a) (II) OF ARTICLE XVIII OF THE STATE CONSTITUTION AND CONSISTENT
6 WITH THIS ARTICLE, A SCHEDULE OF APPLICATION, LICENSING, AND
7 RENEWAL FEES FOR RETAIL MARIJUANA ESTABLISHMENTS;

8 (III) QUALIFICATIONS FOR LICENSURE UNDER THIS ARTICLE,
9 INCLUDING BUT NOT LIMITED TO THE REQUIREMENT FOR A
10 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK FOR ALL OWNERS,
11 OFFICERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER SUPPORT
12 STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE;

13 (IV) SECURITY REQUIREMENTS FOR ANY PREMISES LICENSED
14 PURSUANT TO THIS ARTICLE, INCLUDING, AT A MINIMUM, LIGHTING,
15 PHYSICAL SECURITY, VIDEO, AND ALARM REQUIREMENTS, AND OTHER
16 MINIMUM PROCEDURES FOR INTERNAL CONTROL AS DEEMED NECESSARY
17 BY THE STATE LICENSING AUTHORITY TO PROPERLY ADMINISTER AND
18 ENFORCE THE PROVISIONS OF THIS ARTICLE, INCLUDING REPORTING
19 REQUIREMENTS FOR CHANGES, ALTERATIONS, OR MODIFICATIONS TO THE
20 PREMISES;

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

24 (VI) LABELING REQUIREMENTS FOR RETAIL MARIJUANA AND
25 RETAIL MARIJUANA PRODUCTS SOLD BY A RETAIL MARIJUANA
26 ESTABLISHMENT THAT ARE AT LEAST AS STRINGENT AS IMPOSED BY
27 SECTION 25-4-1614 (3) (a), C.R.S., AND INCLUDE BUT ARE NOT LIMITED

1 TO:

2 (A) THE LICENSE NUMBER OF THE RETAIL MARIJUANA
3 CULTIVATION LICENSE;

4 (B) THE LICENSE NUMBER OF THE RETAIL MARIJUANA STORE;

5 (C) AN IDENTITY STATEMENT AND STANDARDIZED GRAPHIC
6 SYMBOL;

7 (D) THE BATCH NUMBER;

8 (E) A NET WEIGHT STATEMENT;

9 (F) THC POTENCY AND THE POTENCY OF SUCH OTHER
10 CANNABANOIDS OR OTHER CHEMICALS, INCLUDING BUT NOT LIMITED TO
11 CBD, AS DETERMINED RELEVANT BY THE STATE LICENSING AUTHORITY;

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

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

18 (I) WARNING LABELS;

19 (J) SOLVENTS USED IN THE EXTRACTION PROCESS;

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

22 (L) A LIST OF INGREDIENTS AND POSSIBLE ALLERGENS FOR
23 MARIJUANA PRODUCTS;

24 (M) A RECOMMENDED USE BY OR EXPIRATION DATE FOR
25 MARIJUANA PRODUCTS;

26 (N) A NUTRITIONAL FACT PANEL; AND

27 (O) A UNIVERSAL SYMBOL INDICATING THE PACKAGE CONTAINS

1 MARIJUANA OR A MARIJUANA PRODUCT.

2 (VII) HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR
3 THE MANUFACTURE OF RETAIL MARIJUANA PRODUCTS AND THE
4 CULTIVATION OF RETAIL MARIJUANA;

5 (VIII) LIMITATIONS ON ADVERTISING AND DISPLAY OF RETAIL
6 MARIJUANA AND RETAIL MARIJUANA PRODUCTS;

7 (IX) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY
8 PROVISION OF THIS ARTICLE, SECTION 18-18-406.3 (7), C.R.S., OR ANY
9 RULE ISSUED PURSUANT TO THIS ARTICLE, INCLUDING PROCEDURES AND
10 GROUNDS FOR DENYING, SUSPENDING, FINING, RESTRICTING, OR REVOKING
11 A STATE LICENSE ISSUED PURSUANT TO THIS ARTICLE; AND

12 (X) CREATION OF A RANGE OF CIVIL PENALTIES FOR USE BY THE
13 STATE LICENSING AUTHORITY.

14 (b) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
15 SUBSECTION (1) OF THIS SECTION MAY ALSO INCLUDE THE FOLLOWING
16 SUBJECTS:

17 (I) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
18 THE STATE LICENSING AUTHORITY;

19 (II) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW
20 ENFORCEMENT OFFICERS;

21 (III) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS,
22 SEARCHES, SEIZURES, FORFEITURES, AND SUCH ADDITIONAL ACTIVITIES AS
23 MAY BECOME NECESSARY FROM TIME TO TIME;

24 (IV) PROHIBITION OF MISREPRESENTATION AND UNFAIR
25 PRACTICES;

26 (V) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR
27 OWNERS, OFFICERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER

1 SUPPORT STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE,
2 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AS
3 MAY BE REQUIRED BY THE STATE LICENSING AUTHORITY PRIOR TO ISSUING
4 A CARD;

5 (VI) IDENTIFICATION OF STATE LICENSEES AND THEIR OWNERS,
6 OFFICERS, MANAGERS, AND EMPLOYEES;

7 (VII) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND
8 TRANSPORTATION OF RETAIL MARIJUANA;

9 (VIII) SANITARY REQUIREMENTS FOR RETAIL MARIJUANA STORES,
10 INCLUDING BUT NOT LIMITED TO SANITARY REQUIREMENTS FOR THE
11 PREPARATION OF RETAIL MARIJUANA PRODUCTS;

12 (IX) THE SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE
13 IDENTIFICATION THAT A RETAIL MARIJUANA STORE MAY ACCEPT WHEN
14 VERIFYING A SALE, INCLUDING BUT NOT LIMITED TO GOVERNMENT-ISSUED
15 IDENTIFICATION CARDS;

16 (X) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED
17 AVAILABILITY OF THE RECORDS;

18 (XI) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES FOR
19 RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT OF
20 LICENSING FEES;

21 (XII) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES TAX
22 PAYMENTS BY RETAIL MARIJUANA STORES;

23 (XIII) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO
24 HAVE ACCESS TO LICENSING INFORMATION TO ENSURE SALES, EXCISE, AND
25 INCOME TAX PAYMENT AND THE EFFECTIVE ADMINISTRATION OF THIS
26 ARTICLE;

27 (XIV) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO

1 ISSUE ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING,
2 APPEALING, AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF
3 PENALTIES; AND

4 (XV) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
5 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
6 ARTICLE.

7 (c) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
8 SUBSECTION (1) OF THIS SECTION MAY ALSO INCLUDE THE FOLLOWING
9 SUBJECTS AND THE STATE LICENSING AUTHORITY MAY SEEK THE
10 ASSISTANCE OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
11 WHEN NECESSARY BEFORE PROMULGATING THE RULES:

12 (I) SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT
13 LIMITED TO:

14 (A) MASS-MARKET CAMPAIGNS THAT HAVE A HIGH LIKELIHOOD OF
15 REACHING MINORS;

16 (B) ALLOW PACKAGING AND ACCESSORY BRANDING;

17 (C) A PROHIBITION ON HEALTH OR PHYSICAL BENEFIT CLAIMS IN
18 ADVERTISING, MERCHANDISING, AND PACKAGING;

19 (D) A PROHIBITION ON UNSOLICITED POP-UP ADVERTISING ON THE
20 INTERNET;

21 (E) A PROHIBITION ON BANNER ADS ON MASS-MARKET WEB SITES;

22 (F) A PROHIBITION ON OPT-IN MARKETING THAT DOES NOT PERMIT
23 AN EASY AND PERMANENT OPT-OUT FEATURE; AND

24 (G) A PROHIBITION ON MARKETING DIRECTED TOWARDS
25 LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR
26 PHONES.

27 (II) PROHIBITING THE SALE OF RETAIL MARIJUANA AND RETAIL

1 MARIJUANA PRODUCTS UNLESS:

2 (A) THE PRODUCT IS PACKAGED BY THE RETAIL MARIJUANA STORE
3 OR THE RETAIL MARIJUANA PRODUCTS MANUFACTURER IN PACKAGING
4 MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING
5 AUTHORITY SIMILAR TO THE FEDERAL "POISON PREVENTION PACKAGING
6 ACT OF 1970", 15 U.S.C. SEC. 1471 ET SEQ.; OR

7 (B) THE PRODUCT IS PLACED IN AN EXIT PACKAGE OR CONTAINER
8 MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING
9 AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE STORE;

10 (III) THE SAFE AND LAWFUL TRANSPORT OF RETAIL MARIJUANA
11 AND RETAIL MARIJUANA PRODUCTS BETWEEN THE LICENSED BUSINESS AND
12 TESTING LABS;

13 (IV) A SERVING SIZE FOR EDIBLE RETAIL MARIJUANA PRODUCTS
14 THAT DOES NOT CONTAIN MORE THAN TEN MILLIGRAMS OF ACTIVE THC,
15 LABELING REQUIREMENTS REGARDING SERVINGS FOR EDIBLE RETAIL
16 MARIJUANA PRODUCTS, AND LIMITATIONS ON THE TOTAL AMOUNT OF
17 ACTIVE THC IN A PACKAGE THAT IS NO MORE THAN ONE HUNDRED
18 MILLIGRAMS OF ACTIVE THC;

19 (V) LABELING GUIDELINES CONCERNING THE TOTAL CONTENT OF
20 THC PER UNIT OF WEIGHT;

21 (VI) PROHIBITION OR REGULATION OF ADDITIVES TO ANY
22 MARIJUANA PRODUCT, INCLUDING BUT NOT LIMITED TO THOSE THAT ARE
23 TOXIC, DESIGNED TO MAKE THE PRODUCT MORE ADDICTIVE, DESIGNED TO
24 MAKE THE PRODUCT MORE APPEALING TO CHILDREN, OR MISLEADING TO
25 CONSUMERS; AND

26 (VII) PERMISSION FOR A LOCAL FIRE DEPARTMENT TO CONDUCT AN
27 ANNUAL FIRE INSPECTION OF A RETAIL MARIJUANA CULTIVATION FACILITY.

1 (d) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED AS
2 DELEGATING TO THE STATE LICENSING AUTHORITY THE POWER TO FIX
3 PRICES FOR RETAIL MARIJUANA.

4 (e) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO LIMIT A
5 LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL
6 ACTIVITY IN RELATION TO A RETAIL MARIJUANA ESTABLISHMENT. A LAW
7 ENFORCEMENT AGENCY SHALL HAVE THE AUTHORITY TO RUN A
8 COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD
9 CHECK OF A LICENSEE, OR EMPLOYEE OF A LICENSEE, DURING AN
10 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO RETAIL MARIJUANA.

11 (3) (a) THE STATE LICENSING AUTHORITY SHALL CREATE A
12 STATEWIDE LICENSURE CLASS SYSTEM FOR RETAIL MARIJUANA
13 CULTIVATION FACILITIES. THE CLASSIFICATIONS MAY BE BASED UPON
14 SQUARE FOOTAGE OF THE FACILITY; LIGHTS, LUMENS, OR WATTAGE; LIT
15 CANOPY; THE NUMBER OF CULTIVATING PLANTS; A COMBINATION OF THE
16 FOREGOING; OR OTHER REASONABLE METRICS. THE STATE LICENSING
17 AUTHORITY SHALL CREATE A FEE STRUCTURE FOR THE LICENSE CLASS
18 SYSTEM.

19 (b) THE STATE LICENSING AUTHORITY MAY LIMIT OR INCREASE THE
20 LIMIT ON THE NUMBER OF LICENSES THAT IT ISSUES AND MAY PLACE OR
21 MODIFY A LIMIT ON THE AMOUNT OF PRODUCTION PERMITTED BY A RETAIL
22 MARIJUANA CULTIVATION LICENSE. NOTWITHSTANDING ANYTHING
23 CONTAINED IN THIS ARTICLE TO THE CONTRARY, IN CONSIDERING ANY
24 SUCH LIMITATIONS, THE STATE LICENSING AUTHORITY, IN ADDITION TO
25 ANY OTHER RELEVANT CONSIDERATIONS, SHALL:

26 (I) CONSIDER THE TOTAL CURRENT AND ANTICIPATED DEMAND FOR
27 RETAIL MARIJUANA IN COLORADO; AND

1 (II) ATTEMPT TO MINIMIZE THE MARKET FOR UNLAWFUL
2 MARIJUANA IN COLORADO.

3 PART 3
4 STATE AND LOCAL LICENSING

5 **12-43.4-301. Local approval - licensing.** (1) WHEN THE STATE
6 LICENSING AUTHORITY RECEIVES AN APPLICATION FOR ORIGINAL
7 LICENSING OR RENEWAL OF AN EXISTING LICENSE FOR ANY MARIJUANA
8 ESTABLISHMENT, THE STATE LICENSING AUTHORITY SHALL PROVIDE A
9 COPY OF THE APPLICATION TO THE LOCAL JURISDICTION IN WHICH THE
10 BUSINESS IS TO BE LOCATED. THE LOCAL JURISDICTION SHALL DETERMINE
11 WHETHER THE APPLICATION COMPLIES WITH LOCAL RESTRICTIONS ON
12 TIME, PLACE, MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES. THE
13 LOCAL JURISDICTION SHALL INFORM THE STATE LICENSING AUTHORITY
14 WHETHER THE APPLICATION COMPLIES WITH LOCAL RESTRICTIONS ON
15 TIME, PLACE, MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES.

16 (2) A LOCAL JURISDICTION MAY IMPOSE A SEPARATE LOCAL
17 LICENSING REQUIREMENT AS A PART OF ITS RESTRICTIONS ON TIME, PLACE,
18 MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES. A LOCAL
19 JURISDICTION MAY DECLINE TO IMPOSE ANY LOCAL LICENSING
20 REQUIREMENTS AND SHALL NOTIFY THE STATE LICENSING AUTHORITY
21 THAT IT WILL NOT BE ACTING ON ANY APPLICATIONS IT RECEIVES.

22 **12-43.4-302. Public hearing notice - posting and publication.**

23 (1) IF A LOCAL JURISDICTION ISSUES LOCAL LICENSES FOR A RETAIL
24 MARIJUANA ESTABLISHMENT, A LOCAL JURISDICTION MAY SCHEDULE A
25 PUBLIC HEARING ON THE APPLICATION. IF THE LOCAL JURISDICTION
26 SCHEDULES A HEARING, IT SHALL POST AND PUBLISH PUBLIC NOTICE
27 THEREOF NOT LESS THAN TEN DAYS PRIOR TO THE HEARING. THE LOCAL

1 JURISDICTION SHALL GIVE PUBLIC NOTICE BY POSTING A SIGN IN A
2 CONSPICUOUS PLACE ON THE LICENSE APPLICANT'S PREMISES FOR WHICH
3 A LOCAL LICENSE APPLICATION HAS BEEN MADE AND BY PUBLICATION IN
4 A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE
5 APPLICANT'S PREMISES ARE LOCATED OR ON THE WEB SITE OF THE
6 LOCALITY.

7 (2) IF A LOCAL JURISDICTION DOES NOT ISSUE LOCAL LICENSES, THE
8 LOCAL JURISDICTION MAY GIVE PUBLIC NOTICE OF THE STATE APPLICATION
9 BY POSTING A SIGN IN A CONSPICUOUS PLACE ON THE STATE LICENSE
10 APPLICANT'S PREMISES FOR WHICH LICENSE APPLICATION HAS BEEN MADE
11 AND BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE
12 COUNTY IN WHICH THE APPLICANT'S PREMISES ARE LOCATED OR ON THE
13 WEB SITE OF THE LOCAL JURISDICTION.

14 **12-43.4-303. Retail marijuana license bond.** (1) BEFORE THE
15 STATE LICENSING AUTHORITY ISSUES A STATE LICENSE TO AN APPLICANT,
16 THE APPLICANT SHALL PROCURE AND FILE WITH THE STATE LICENSING
17 AUTHORITY EVIDENCE OF A GOOD AND SUFFICIENT BOND IN THE AMOUNT
18 OF FIVE THOUSAND DOLLARS WITH CORPORATE SURETY THEREON DULY
19 LICENSED TO DO BUSINESS WITH THE STATE, APPROVED AS TO FORM BY
20 THE ATTORNEY GENERAL OF THE STATE, AND CONDITIONED THAT THE
21 APPLICANT SHALL REPORT AND PAY ALL SALES AND USE TAXES DUE TO THE
22 STATE, OR FOR WHICH THE STATE IS THE COLLECTOR OR COLLECTING
23 AGENT, IN A TIMELY MANNER, AS PROVIDED IN LAW.

24 (2) A CORPORATE SURETY SHALL NOT BE REQUIRED TO MAKE
25 PAYMENTS TO THE STATE CLAIMING UNDER SUCH BOND UNTIL A FINAL
26 DETERMINATION OF FAILURE TO PAY TAXES DUE TO THE STATE IS MADE BY
27 THE STATE LICENSING AUTHORITY OR A COURT OF COMPETENT

1 JURISDICTION.

2 (3) ALL BONDS REQUIRED PURSUANT TO THIS SECTION MUST BE
3 RENEWED AT SUCH TIME AS THE BONDHOLDER'S LICENSE IS RENEWED. THE
4 RENEWAL MAY BE ACCOMPLISHED THROUGH A CONTINUATION
5 CERTIFICATE ISSUED BY THE SURETY.

6 **12-43.4-304. State licensing authority - application and**
7 **issuance procedures.** (1) APPLICATIONS FOR A STATE LICENSE UNDER
8 THE PROVISIONS OF THIS ARTICLE MUST BE MADE TO THE STATE LICENSING
9 AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE STATE
10 LICENSING AUTHORITY AND MUST SET FORTH SUCH INFORMATION AS THE
11 STATE LICENSING AUTHORITY MAY REQUIRE TO ENABLE THE STATE
12 LICENSING AUTHORITY TO DETERMINE WHETHER A STATE LICENSE SHOULD
13 BE GRANTED. THE INFORMATION MUST INCLUDE THE NAME AND ADDRESS
14 OF THE APPLICANT AND THE NAMES AND ADDRESSES OF THE OFFICERS,
15 DIRECTORS, OR MANAGERS. EACH APPLICATION MUST BE VERIFIED BY THE
16 OATH OR AFFIRMATION OF SUCH PERSON OR PERSONS AS THE STATE
17 LICENSING AUTHORITY MAY PRESCRIBE. THE STATE LICENSING AUTHORITY
18 MAY ISSUE A STATE LICENSE TO AN APPLICANT PURSUANT TO THIS SECTION
19 UPON COMPLETION OF THE APPLICABLE CRIMINAL HISTORY BACKGROUND
20 CHECK ASSOCIATED WITH THE APPLICATION, AND THE STATE LICENSE IS
21 CONDITIONED UPON LOCAL JURISDICTION APPROVAL. A LICENSE
22 APPLICANT IS PROHIBITED FROM OPERATING A LICENSED RETAIL
23 MARIJUANA BUSINESS WITHOUT STATE AND, IF REQUIRED, LOCAL
24 JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL
25 JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF STATE
26 LICENSING AUTHORITY APPROVAL, THE STATE LICENSE SHALL EXPIRE AND
27 MAY NOT BE RENEWED. THE DENIAL OF AN APPLICATION BY THE LOCAL

1 LICENSING AUTHORITY MAY BE CONSIDERED AS A BASIS FOR THE STATE
2 LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

3 (2) NOTHING IN THIS ARTICLE PREEMPTS OR OTHERWISE IMPAIRS
4 THE POWER OF A LOCAL GOVERNMENT TO ENACT ORDINANCES OR
5 RESOLUTIONS CONCERNING MATTERS AUTHORIZED TO LOCAL
6 GOVERNMENTS.

7 **12-43.4-305. Denial of application.** (1) THE STATE LICENSING
8 AUTHORITY SHALL DENY A STATE LICENSE IF THE PREMISES ON WHICH THE
9 APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DOES NOT MEET THE
10 REQUIREMENTS OF THIS ARTICLE OR FOR REASONS SET FORTH IN SECTION
11 12-43.4-104 (1) (c) OR 12-43.4-304, AND THE STATE LICENSING
12 AUTHORITY MAY DENY A LICENSE FOR GOOD CAUSE AS DEFINED BY
13 SECTION 12-43.4-104 (1) (a) OR (1) (b).

14 (2) IF THE STATE LICENSING AUTHORITY DENIES A STATE LICENSE
15 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE APPLICANT SHALL BE
16 ENTITLED TO A HEARING PURSUANT TO SECTION 24-4-104 (9), C.R.S., AND
17 JUDICIAL REVIEW PURSUANT TO SECTION 24-4-106, C.R.S. THE STATE
18 LICENSING AUTHORITY SHALL PROVIDE WRITTEN NOTICE OF THE GROUNDS
19 FOR DENIAL OF THE STATE LICENSE TO THE APPLICANT AND TO THE LOCAL
20 LICENSING AUTHORITY AT LEAST FIFTEEN DAYS PRIOR TO THE HEARING.

21 **12-43.4-306. Persons prohibited as licensees.** (1) A LICENSE
22 PROVIDED BY THIS ARTICLE SHALL NOT BE ISSUED TO OR HELD BY:

23 (a) A PERSON UNTIL THE ANNUAL FEE THEREFOR HAS BEEN PAID;

24 (b) A PERSON WHOSE CRIMINAL HISTORY INDICATES THAT HE OR
25 SHE IS NOT OF GOOD MORAL CHARACTER;

26 (c) A CORPORATION, IF THE CRIMINAL HISTORY OF ANY OF ITS
27 OFFICERS, DIRECTORS, OR STOCKHOLDERS INDICATES THAT THE OFFICER,

1 DIRECTOR, OR STOCKHOLDER IS NOT OF GOOD MORAL CHARACTER;

2 (d) A PERSON ASSISTED BY OR FINANCED IN WHOLE OR IN PART BY
3 ANY OTHER PERSON WHOSE CRIMINAL HISTORY INDICATES HE OR SHE IS
4 NOT OF GOOD CHARACTER AND REPUTATION SATISFACTORY TO THE
5 RESPECTIVE LICENSING AUTHORITY;

6 (e) A PERSON UNDER TWENTY-ONE YEARS OF AGE;

7 (f) A PERSON LICENSED PURSUANT TO THIS ARTICLE WHO, DURING
8 A PERIOD OF LICENSURE, OR WHO, AT THE TIME OF APPLICATION, HAS
9 FAILED TO:

10 (I) PROVIDE A SURETY BOND OR FILE ANY TAX RETURN WITH A
11 TAXING AGENCY RELATED TO A RETAIL MARIJUANA ESTABLISHMENT; OR

12 (II) PAY ANY TAXES, INTEREST, OR PENALTIES DUE RELATING TO
13 A RETAIL MARIJUANA ESTABLISHMENT;

14 (g) A PERSON WHO HAS DISCHARGED A SENTENCE IN THE FIVE
15 YEARS IMMEDIATELY PRECEDING THE APPLICATION DATE FOR A
16 CONVICTION OF A FELONY OR A PERSON WHO HAS DISCHARGED A
17 SENTENCE IN THE TEN YEARS IMMEDIATELY PRECEDING THE APPLICATION
18 DATE OR FIVE YEARS FROM THE EFFECTIVE DATE OF HOUSE BILL 13-____,
19 ENACTED IN 2013, WHICHEVER IS LONGER, FOR A CONVICTION OF A FELONY
20 PURSUANT TO ANY STATE OR FEDERAL LAW REGARDING THE POSSESSION,
21 DISTRIBUTION, MANUFACTURING, CULTIVATION, OR USE OF A CONTROLLED
22 SUBSTANCE; EXCEPT THAT THE LICENSING AUTHORITY MAY GRANT A
23 LICENSE TO AN EMPLOYEE IF THE EMPLOYEE HAS A STATE FELONY
24 CONVICTION BASED ON POSSESSION OR USE OF A CONTROLLED SUBSTANCE
25 THAT WOULD NOT BE A FELONY IF THE PERSON WERE CONVICTED OF THE
26 OFFENSE ON THE DATE HE OR SHE APPLIED FOR LICENSURE;

27 (h) A PERSON WHO EMPLOYS ANOTHER PERSON AT A RETAIL

1 MARIJUANA FACILITY WHO HAS NOT SUBMITTED FINGERPRINTS FOR A
2 CRIMINAL HISTORY RECORD CHECK OR WHOSE CRIMINAL RECORD HISTORY
3 CHECK REVEALS THAT THE PERSON IS INELIGIBLE;

4 (i) A SHERIFF, DEPUTY SHERIFF, POLICE OFFICER, OR PROSECUTING
5 OFFICER, OR AN OFFICER OR EMPLOYEE OF THE STATE LICENSING
6 AUTHORITY OR A LOCAL LICENSING AUTHORITY;

7 (j) A PERSON FOR A LICENSE FOR A LOCATION THAT IS CURRENTLY
8 LICENSED AS A RETAIL FOOD ESTABLISHMENT OR WHOLESALE FOOD
9 REGISTRANT; OR

10 (k) AN OWNER, AS DEFINED BY RULE OF THE STATE LICENSING
11 AUTHORITY, WHO HAS NOT BEEN A RESIDENT OF COLORADO FOR AT LEAST
12 TWO YEARS PRIOR TO THE DATE OF THE OWNER'S APPLICATION.

13 (2) (a) IN INVESTIGATING THE QUALIFICATIONS OF AN APPLICANT
14 OR A LICENSEE, THE STATE AND LOCAL LICENSING AUTHORITIES MAY HAVE
15 ACCESS TO CRIMINAL HISTORY RECORD INFORMATION FURNISHED BY A
16 CRIMINAL JUSTICE AGENCY SUBJECT TO ANY RESTRICTIONS IMPOSED BY
17 SUCH AGENCY. IN THE EVENT THE STATE OR LOCAL LICENSING AUTHORITY
18 CONSIDERS THE APPLICANT'S CRIMINAL HISTORY RECORD, THE STATE OR
19 LOCAL LICENSING AUTHORITY SHALL ALSO CONSIDER ANY INFORMATION
20 PROVIDED BY THE APPLICANT REGARDING SUCH CRIMINAL HISTORY
21 RECORD, INCLUDING BUT NOT LIMITED TO EVIDENCE OF REHABILITATION,
22 CHARACTER REFERENCES, AND EDUCATIONAL ACHIEVEMENTS, ESPECIALLY
23 THOSE ITEMS PERTAINING TO THE TIME BETWEEN THE APPLICANT'S LAST
24 CRIMINAL CONVICTION AND THE CONSIDERATION OF THE APPLICATION FOR
25 A STATE LICENSE.

26 (b) AS USED IN PARAGRAPH (a) OF THIS SUBSECTION (2), "CRIMINAL
27 JUSTICE AGENCY" MEANS ANY FEDERAL, STATE, OR MUNICIPAL COURT OR

1 ANY GOVERNMENTAL AGENCY OR SUBUNIT OF SUCH AGENCY THAT
2 ADMINISTERS CRIMINAL JUSTICE PURSUANT TO A STATUTE OR EXECUTIVE
3 ORDER AND THAT ALLOCATES A SUBSTANTIAL PART OF ITS ANNUAL
4 BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

5 (c) AT THE TIME OF FILING AN APPLICATION FOR ISSUANCE OF A
6 STATE A RETAIL MARIJUANA ESTABLISHMENT LICENSE, AN APPLICANT
7 SHALL SUBMIT A SET OF HIS OR HER FINGERPRINTS AND FILE PERSONAL
8 HISTORY INFORMATION CONCERNING THE APPLICANT'S QUALIFICATIONS
9 FOR A STATE LICENSE ON FORMS PREPARED BY THE STATE LICENSING
10 AUTHORITY. THE STATE OR LOCAL LICENSING AUTHORITY SHALL SUBMIT
11 THE FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
12 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
13 CHECKS. THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE
14 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE
15 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
16 CHECKS. THE STATE OR LOCAL LICENSING AUTHORITY MAY ACQUIRE A
17 NAME-BASED CRIMINAL HISTORY RECORD CHECK FOR AN APPLICANT OR A
18 LICENSE HOLDER WHO HAS TWICE SUBMITTED TO A FINGERPRINT-BASED
19 CRIMINAL HISTORY RECORD CHECK AND WHOSE FINGERPRINTS ARE
20 UNCLASSIFIABLE. AN APPLICANT WHO HAS PREVIOUSLY SUBMITTED
21 FINGERPRINTS FOR STATE LICENSING PURPOSES MAY REQUEST THAT THE
22 FINGERPRINTS ON FILE BE USED. THE STATE OR LOCAL LICENSING
23 AUTHORITY SHALL USE THE INFORMATION RESULTING FROM THE
24 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO INVESTIGATE
25 AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO HOLD A STATE
26 LICENSE PURSUANT TO THIS ARTICLE. THE STATE OR LOCAL LICENSING
27 AUTHORITY MAY VERIFY ANY OF THE INFORMATION AN APPLICANT IS

1 REQUIRED TO SUBMIT.

2 **12-43.4-307. Restrictions for applications for new licenses.**

3 (1) A LOCAL JURISDICTION SHALL NOT APPROVE AN APPLICATION FOR THE
4 ISSUANCE OF A STATE OR LOCAL LICENSE PURSUANT TO THIS ARTICLE:

5 (a) IF THE APPLICATION FOR THE LICENSE CONCERNS A PARTICULAR
6 LOCATION THAT IS THE SAME AS OR WITHIN ONE THOUSAND FEET OF A
7 LOCATION FOR WHICH, WITHIN THE TWO YEARS IMMEDIATELY PRECEDING
8 THE DATE OF THE APPLICATION, THE STATE LICENSING AUTHORITY DENIED
9 AN APPLICATION FOR THE SAME CLASS OF LICENSE DUE TO THE NATURE OF
10 THE USE OR OTHER CONCERN RELATED TO THE LOCATION;

11 (b) UNTIL IT IS ESTABLISHED THAT THE APPLICANT IS, OR WILL BE,
12 ENTITLED TO POSSESSION OF THE PREMISES FOR WHICH APPLICATION IS
13 MADE UNDER A LEASE, RENTAL AGREEMENT, OR OTHER ARRANGEMENT
14 FOR POSSESSION OF THE PREMISES OR BY VIRTUE OF OWNERSHIP OF THE
15 PREMISES;

16 (c) FOR A LOCATION IN AN AREA WHERE THE CULTIVATION,
17 MANUFACTURE, AND SALE OF RETAIL MARIJUANA AS CONTEMPLATED IS
18 NOT PERMITTED UNDER THE APPLICABLE ZONING LAWS OF THE
19 MUNICIPALITY, CITY AND COUNTY, OR COUNTY;

20 (d) (I) IF THE BUILDING IN WHICH RETAIL MARIJUANA IS TO BE SOLD
21 IS LOCATED WITHIN ONE THOUSAND FEET OF A SCHOOL, AN ALCOHOL OR
22 DRUG TREATMENT FACILITY, THE PRINCIPAL CAMPUS OF A COLLEGE,
23 UNIVERSITY, OR SEMINARY, OR A RESIDENTIAL CHILD CARE FACILITY. THE
24 PROVISIONS OF THIS SECTION SHALL NOT AFFECT THE RENEWAL OR
25 REISSUANCE OF A LICENSE ONCE GRANTED OR APPLY TO LICENSED
26 PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A
27 MUNICIPALITY, NOR SHALL THE PROVISIONS OF THIS SECTION APPLY TO AN

1 EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE, OR APPLY
2 TO A LICENSE IN EFFECT AND ACTIVELY DOING BUSINESS BEFORE SAID
3 PRINCIPAL CAMPUS WAS CONSTRUCTED. THE LOCAL LICENSING AUTHORITY
4 OF A CITY AND COUNTY, BY RULE OR REGULATION, THE GOVERNING BODY
5 OF A MUNICIPALITY, BY ORDINANCE, AND THE GOVERNING BODY OF A
6 COUNTY, BY RESOLUTION, MAY VARY THE DISTANCE RESTRICTIONS
7 IMPOSED BY THIS SUBPARAGRAPH (I) FOR A LICENSE OR MAY ELIMINATE
8 ONE OR MORE TYPES OF SCHOOLS, CAMPUSES, OR FACILITIES FROM THE
9 APPLICATION OF A DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT
10 TO THIS SUBPARAGRAPH (I).

11 (II) THE DISTANCES REFERRED TO IN THIS PARAGRAPH (d) ARE TO
12 BE COMPUTED BY DIRECT MEASUREMENT FROM THE NEAREST PROPERTY
13 LINE OF THE LAND USED FOR A SCHOOL OR CAMPUS TO THE NEAREST
14 PORTION OF THE BUILDING IN WHICH RETAIL MARIJUANA IS TO BE SOLD,
15 USING A ROUTE OF DIRECT PEDESTRIAN ACCESS.

16 (III) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-43.4-303
17 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE
18 AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN
19 WHICH THE RETAIL MARIJUANA IS TO BE SOLD IS LOCATED WITHIN ANY
20 DISTANCE RESTRICTIONS ESTABLISHED BY OR PURSUANT TO THIS
21 PARAGRAPH (d).

22 **12-43.4-308. Transfer of ownership.** (1) A STATE LICENSE
23 GRANTED UNDER THE PROVISIONS OF THIS ARTICLE IS NOT TRANSFERABLE
24 EXCEPT AS PROVIDED IN THIS SECTION, BUT THIS SECTION DOES NOT
25 PREVENT A CHANGE OF LOCATION AS PROVIDED IN SECTION 12-43.4-310
26 (13).

27 (2) FOR A TRANSFER OF OWNERSHIP, A LICENSE HOLDER SHALL

1 APPLY TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED AND
2 FURNISHED BY THE STATE LICENSING AUTHORITY. UPON RECEIPT OF AN
3 APPLICATION FOR TRANSFER OF OWNERSHIP, THE STATE LICENSING
4 AUTHORITY SHALL IMMEDIATELY SUBMIT A COPY OF THE APPLICATION TO
5 THE LOCAL JURISDICTION TO DETERMINE WHETHER THE TRANSFER
6 COMPLIES WITH LOCAL RESTRICTION ON TRANSFER OF OWNERSHIP. IN
7 DETERMINING WHETHER TO PERMIT A TRANSFER OF OWNERSHIP, THE
8 STATE LICENSING AUTHORITY SHALL CONSIDER ONLY THE REQUIREMENTS
9 OF THIS ARTICLE, ANY RULES PROMULGATED BY THE STATE LICENSING
10 AUTHORITY, AND ANY OTHER LOCAL RESTRICTIONS. THE LOCAL
11 JURISDICTION MAY HOLD A HEARING ON THE APPLICATION FOR TRANSFER
12 OF OWNERSHIP. THE LOCAL JURISDICTION SHALL NOT HOLD A HEARING
13 PURSUANT TO THIS SUBSECTION (2) UNTIL THE LOCAL JURISDICTION HAS
14 POSTED A NOTICE OF HEARING IN THE MANNER DESCRIBED IN SECTION
15 12-43.4-302 (2) ON THE LICENSED PREMISES FOR A PERIOD OF TEN DAYS
16 AND HAS PROVIDED NOTICE OF THE HEARING TO THE APPLICANT AT LEAST
17 TEN DAYS PRIOR TO THE HEARING. ANY TRANSFER OF OWNERSHIP HEARING
18 BY THE STATE LICENSING AUTHORITY SHALL BE HELD IN COMPLIANCE WITH
19 THE REQUIREMENTS SPECIFIED IN SECTION 12-43.4-302.

20 **12-43.4-309. Licensing in general.** (1) LOCAL JURISDICTIONS
21 ARE AUTHORIZED TO ADOPT AND ENFORCE REGULATIONS FOR RETAIL
22 MARIJUANA ESTABLISHMENTS THAT ARE AT LEAST AS RESTRICTIVE AS THE
23 PROVISIONS OF THIS ARTICLE AND ANY RULE PROMULGATED PURSUANT TO
24 THIS ARTICLE.

25 (2) A RETAIL MARIJUANA ESTABLISHMENT MAY NOT OPERATE
26 UNTIL IT IS LICENSED BY THE STATE LICENSING AUTHORITY PURSUANT TO
27 THIS ARTICLE. IF THE STATE LICENSING AUTHORITY ISSUES THE APPLICANT

1 A STATE LICENSE AND THE LOCAL JURISDICTION SUBSEQUENTLY DENIES
2 THE APPROVAL, THE STATE LICENSING AUTHORITY SHALL CONSIDER THE
3 LOCAL JURISDICTION DENIAL AS A BASIS FOR THE REVOCATION OF THE
4 STATE-ISSUED LICENSE. IN CONNECTION WITH A LICENSE, THE APPLICANT
5 SHALL PROVIDE A COMPLETE AND ACCURATE APPLICATION AS REQUIRED
6 BY THE STATE LICENSING AUTHORITY.

7 (3) A RETAIL MARIJUANA ESTABLISHMENT SHALL NOTIFY THE
8 STATE LICENSING AUTHORITY IN WRITING WITHIN TEN DAYS AFTER AN
9 OWNER, OFFICER, OR EMPLOYEE CEASES TO WORK AT, MANAGE, OWN, OR
10 OTHERWISE BE ASSOCIATED WITH THE OPERATION. THE OWNER, OFFICER,
11 OR EMPLOYEE SHALL SURRENDER HIS OR HER IDENTIFICATION CARD TO
12 THE STATE LICENSING AUTHORITY ON OR BEFORE THE DATE OF THE
13 NOTIFICATION.

14 (4) A RETAIL MARIJUANA ESTABLISHMENT SHALL NOTIFY THE
15 STATE LICENSING AUTHORITY IN WRITING OF THE NAME, ADDRESS, AND
16 DATE OF BIRTH OF AN OWNER, OFFICER, MANAGER, OR EMPLOYEE BEFORE
17 THE NEW OWNER OR OFFICER BEGINS WORKING AT, MANAGING, OWNING,
18 OR BEING ASSOCIATED WITH THE OPERATION. THE OWNER, OFFICER,
19 MANAGER, OR EMPLOYEE MUST PASS A FINGERPRINT-BASED CRIMINAL
20 HISTORY RECORD CHECK AS REQUIRED BY THE STATE LICENSING
21 AUTHORITY AND OBTAIN THE REQUIRED IDENTIFICATION PRIOR TO BEING
22 ASSOCIATED WITH, MANAGING, OWNING, OR WORKING AT THE OPERATION.

23 (5) A RETAIL MARIJUANA ESTABLISHMENT SHALL NOT ACQUIRE,
24 POSSESS, CULTIVATE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, OR
25 DISPENSE MARIJUANA FOR ANY PURPOSE EXCEPT AS AUTHORIZED BY
26 SECTION 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS
27 ARTICLE.

1 (6) ALL OFFICERS, MANAGERS, AND EMPLOYEES OF A RETAIL
2 MARIJUANA ESTABLISHMENT SHALL BE RESIDENTS OF COLORADO UPON
3 THE DATE OF THEIR LICENSE APPLICATION. AN OWNER SHALL MEET THE
4 RESIDENCY REQUIREMENTS IN SECTION 12-43.4-306 (1)(k). ALL LICENSES
5 GRANTED PURSUANT TO THIS ARTICLE ARE VALID FOR A PERIOD NOT TO
6 EXCEED TWO YEARS AFTER THE DATE OF ISSUANCE UNLESS REVOKED OR
7 SUSPENDED PURSUANT TO THIS ARTICLE OR THE RULES PROMULGATED
8 PURSUANT TO THIS ARTICLE.

9 (7) BEFORE GRANTING A STATE LICENSE, THE STATE LICENSING
10 AUTHORITY MAY CONSIDER, EXCEPT WHEN THIS ARTICLE SPECIFICALLY
11 PROVIDES OTHERWISE, THE REQUIREMENTS OF THIS ARTICLE AND ANY
12 RULES PROMULGATED PURSUANT TO THIS ARTICLE, AND ALL OTHER
13 REASONABLE RESTRICTIONS THAT ARE OR MAY BE PLACED UPON THE
14 LICENSEE BY THE LICENSING AUTHORITY. WITH RESPECT TO A SECOND OR
15 ADDITIONAL LICENSE FOR THE SAME LICENSEE OR THE SAME OWNER OF
16 ANOTHER LICENSED BUSINESS PURSUANT TO THIS ARTICLE, EACH
17 LICENSING AUTHORITY SHALL CONSIDER THE EFFECT ON COMPETITION OF
18 GRANTING OR DENYING THE ADDITIONAL LICENSES TO SUCH LICENSEE.

19 (8) (a) EACH LICENSE ISSUED UNDER THIS ARTICLE IS SEPARATE
20 AND DISTINCT. IT IS UNLAWFUL FOR A PERSON TO EXERCISE ANY OF THE
21 PRIVILEGES GRANTED UNDER A LICENSE OTHER THAN THE LICENSE THAT
22 THE PERSON HOLDS OR FOR A LICENSEE TO ALLOW ANY OTHER PERSON TO
23 EXERCISE THE PRIVILEGES GRANTED UNDER THE LICENSEE'S LICENSE. A
24 SEPARATE LICENSE SHALL BE REQUIRED FOR EACH SPECIFIC BUSINESS OR
25 BUSINESS ENTITY AND EACH GEOGRAPHICAL LOCATION.

26 (b) AT ALL TIMES, A LICENSEE SHALL POSSESS AND MAINTAIN
27 POSSESSION OF THE PREMISES FOR WHICH THE LICENSE IS ISSUED BY

1 OWNERSHIP, LEASE, RENTAL, OR OTHER ARRANGEMENT FOR POSSESSION
2 OF THE PREMISES.

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

8 (10) IN COMPUTING ANY TIME PRESCRIBED BY THIS ARTICLE, THE
9 DAY OF THE ACT, EVENT, OR DEFAULT FROM WHICH THE DESIGNATED TIME
10 BEGINS TO RUN IS NOT INCLUDED. SATURDAYS, SUNDAYS, AND LEGAL
11 HOLIDAYS ARE COUNTED AS ANY OTHER DAY.

12 (11) A LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF
13 FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING
14 AUTHORITIES THIRTY DAYS PRIOR TO ANY TRANSFER OR CHANGE
15 PURSUANT TO SECTION 12-43.4-308. A REPORT IS REQUIRED FOR
16 TRANSFERS OF CAPITAL STOCK OF ANY CORPORATION REGARDLESS OF
17 SIZE.

18 (12) EACH LICENSEE SHALL MANAGE THE LICENSED PREMISES
19 HIMSELF OR HERSELF OR EMPLOY A SEPARATE AND DISTINCT MANAGER ON
20 THE PREMISES AND SHALL REPORT THE NAME OF THE MANAGER TO THE
21 STATE AND LOCAL LICENSING AUTHORITIES. THE LICENSEE SHALL REPORT
22 ANY CHANGE IN MANAGER TO THE STATE AND LOCAL LICENSING
23 AUTHORITIES WITHIN TWO BUSINESS DAYS AFTER THE CHANGE PURSUANT
24 TO SECTION 12-43.4-308.

25 (13)(a) A LICENSEE MAY MOVE HIS OR HER PERMANENT LOCATION
26 TO ANY OTHER PLACE IN COLORADO ONCE PERMISSION TO DO SO IS
27 GRANTED BY THE LOCAL JURISDICTION PROVIDED FOR IN THIS ARTICLE.

1 UPON RECEIPT OF AN APPLICATION FOR CHANGE OF LOCATION, THE STATE
2 LICENSING AUTHORITY SHALL IMMEDIATELY SUBMIT A COPY OF THE
3 APPLICATION TO THE LOCAL JURISDICTION TO DETERMINE WHETHER THE
4 TRANSFER COMPLIES WITH ALL LOCAL RESTRICTIONS ON CHANGE OF
5 LOCATION.

6 (b) IN PERMITTING A CHANGE OF LOCATION, THE STATE LICENSING
7 AUTHORITY SHALL CONSIDER ALL REASONABLE RESTRICTIONS THAT ARE
8 OR MAY BE PLACED UPON THE NEW LOCATION BY THE GOVERNING BOARD
9 OF THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY, AND ANY SUCH
10 CHANGE IN LOCATION SHALL BE IN ACCORDANCE WITH ALL REQUIREMENTS
11 OF THIS ARTICLE AND RULES PROMULGATED PURSUANT TO THIS ARTICLE.

12 **12-43.4-310. License renewal.** (1) NINETY DAYS PRIOR TO THE
13 EXPIRATION DATE OF AN EXISTING LICENSE, THE STATE LICENSING
14 AUTHORITY SHALL NOTIFY THE LICENSEE OF THE EXPIRATION DATE BY
15 FIRST CLASS MAIL AT THE LICENSEE'S ADDRESS OF RECORD WITH THE
16 STATE LICENSING AUTHORITY. A LICENSEE MAY APPLY FOR THE RENEWAL
17 OF AN EXISTING LICENSE TO THE STATE LICENSING AUTHORITY NOT LESS
18 THAN THIRTY DAYS PRIOR TO THE DATE OF EXPIRATION. UPON RECEIPT OF
19 AN APPLICATION FOR RENEWAL OF AN EXISTING LICENSE, THE STATE
20 LICENSING AUTHORITY SHALL IMMEDIATELY SUBMIT A COPY OF THE
21 APPLICATION TO THE LOCAL JURISDICTION TO DETERMINE WHETHER THE
22 APPLICATION COMPLIES WITH ALL LOCAL RESTRICTIONS ON RENEWAL OF
23 LICENSES. THE STATE LICENSING AUTHORITY SHALL NOT ACCEPT AN
24 APPLICATION FOR RENEWAL OF A LICENSE AFTER THE DATE OF EXPIRATION,
25 EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION. THE STATE
26 LICENSING AUTHORITY MAY EXTEND THE EXPIRATION DATE OF THE
27 LICENSE AND ACCEPT A LATE APPLICATION FOR RENEWAL OF A LICENSE

1 PROVIDED THAT THE APPLICANT HAS FILED A TIMELY RENEWAL
2 APPLICATION WITH THE LOCAL LICENSING AUTHORITY. THE STATE OR THE
3 LOCAL LICENSING AUTHORITY, IN ITS DISCRETION, SUBJECT TO THE
4 REQUIREMENTS OF THIS SUBSECTION (1) AND SUBSECTION (2) OF THIS
5 SECTION AND BASED UPON REASONABLE GROUNDS, MAY WAIVE THE
6 THIRTY-DAY TIME REQUIREMENTS SET FORTH IN THIS SUBSECTION (1).

7 (2) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF
8 THIS SECTION, A LICENSEE WHOSE LICENSE HAS BEEN EXPIRED FOR NOT
9 MORE THAN NINETY DAYS MAY FILE A LATE RENEWAL APPLICATION UPON
10 THE PAYMENT OF A NONREFUNDABLE LATE APPLICATION FEE OF FIVE
11 HUNDRED DOLLARS TO THE STATE LICENSING AUTHORITY. A LICENSEE
12 WHO FILES A LATE RENEWAL APPLICATION AND PAYS THE REQUISITE FEES
13 MAY CONTINUE TO OPERATE UNTIL THE STATE LICENSING AUTHORITY
14 TAKES FINAL ACTION TO APPROVE OR DENY THE LICENSEE'S LATE
15 RENEWAL APPLICATION UNLESS THE STATE LICENSING AUTHORITY
16 SUMMARILY SUSPENDS THE LICENSE PURSUANT TO ARTICLE 4 OF TITLE 24,
17 C.R.S., THIS ARTICLE, AND RULES PROMULGATED PURSUANT TO THIS
18 ARTICLE.

19 (b) THE STATE LICENSING AUTHORITY MAY NOT ACCEPT A LATE
20 RENEWAL APPLICATION MORE THAN NINETY DAYS AFTER THE EXPIRATION
21 OF A LICENSEE'S PERMANENT ANNUAL LICENSE. A LICENSEE WHOSE
22 PERMANENT ANNUAL LICENSE HAS BEEN EXPIRED FOR MORE THAN NINETY
23 DAYS SHALL NOT CULTIVATE, MANUFACTURE, DISTRIBUTE, SELL, OR TEST
24 ANY RETAIL MARIJUANA UNTIL ALL REQUIRED LICENSES ARE OBTAINED.

25 (c) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR THE LATE
26 APPLICATION FEE IN PARAGRAPH (a) OF THIS SUBSECTION (2), THE STATE
27 LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY

1 REDUCE THE AMOUNT OF THE FEE IF NECESSARY PURSUANT TO SECTION
2 24-75-402 (3), C.R.S., BY REDUCING THE UNCOMMITTED RESERVES OF THE
3 FUND TO WHICH ALL OR ANY PORTION OF THE FEE IS CREDITED. AFTER THE
4 UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE
5 STATE LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY
6 LAW MAY INCREASE THE AMOUNT OF THE FEE AS PROVIDED IN SECTION
7 24-75-402 (4), C.R.S.

8 **12-43.4-311. Inactive licenses.** THE STATE LICENSING AUTHORITY,
9 IN ITS DISCRETION, MAY REVOKE OR ELECT NOT TO RENEW ANY LICENSE IF
10 IT DETERMINES THAT THE LICENSED PREMISES HAVE BEEN INACTIVE,
11 WITHOUT GOOD CAUSE, FOR AT LEAST ONE YEAR.

12 **12-43.4-312. Unlawful financial assistance.** (1) THE STATE
13 LICENSING AUTHORITY SHALL REQUIRE A COMPLETE DISCLOSURE OF ALL
14 PERSONS HAVING A DIRECT OR INDIRECT FINANCIAL INTEREST, AND THE
15 EXTENT OF SUCH INTEREST, IN EACH LICENSE ISSUED UNDER THIS ARTICLE.

16 (2) THIS SECTION IS INTENDED TO PROHIBIT AND PREVENT THE
17 CONTROL OF THE OUTLETS FOR THE SALE OF RETAIL MARIJUANA BY A
18 PERSON OR PARTY OTHER THAN THE PERSONS LICENSED PURSUANT TO THE
19 PROVISIONS OF THIS ARTICLE.

20 PART 4

21 LICENSE TYPES

22 **12-43.4-401. Classes of licenses.** (1) FOR THE PURPOSE OF
23 REGULATING THE CULTIVATION, MANUFACTURE, DISTRIBUTION, SALE, AND
24 TESTING OF RETAIL MARIJUANA, THE STATE LICENSING AUTHORITY IN ITS
25 DISCRETION, UPON RECEIPT OF AN APPLICATION IN THE PRESCRIBED FORM,
26 MAY ISSUE AND GRANT TO THE APPLICANT A LICENSE FROM ANY OF THE
27 FOLLOWING CLASSES, SUBJECT TO THE PROVISIONS AND RESTRICTIONS

1 PROVIDED BY THIS ARTICLE:

- 2 (a) RETAIL MARIJUANA STORE LICENSE;
- 3 (b) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;
- 4 (c) RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSE;
- 5 (d) RETAIL MARIJUANA TESTING FACILITY LICENSE; AND
- 6 (e) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,
7 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER
8 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO
9 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
10 STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY MAY
11 TAKE ANY ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS
12 ARTICLE AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS
13 ARTICLE, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT
14 TO THIS ARTICLE.

15 (2) (a) A PERSON MAY OPERATE A LICENSED MEDICAL MARIJUANA
16 CENTER, AN OPTIONAL CULTIVATION FACILITY, A MEDICAL
17 MARIJUANA-INFUSED PRODUCTS MANUFACTURING FACILITY, AND ANY
18 RETAIL MARIJUANA ESTABLISHMENT AT THE SAME LOCATION WITH
19 SEPARATE LICENSED PREMISES IF THE LOCAL JURISDICTION PERMITS A
20 DUAL OPERATION.

21 (b) A DUAL MEDICAL MARIJUANA CENTER AND RETAIL MARIJUANA
22 STORE SHALL MAINTAIN SEPARATE LICENSED PREMISES, INCLUDING
23 ENTRANCES AND EXITS, INVENTORY, POINT OF SALE OPERATIONS, AND
24 RECORD KEEPING.

25 (c) A DUAL CULTIVATION BUSINESS OPERATION SHALL MAINTAIN
26 EITHER PHYSICAL OR VIRTUAL SEPARATION OF THE TWO FACILITIES AND
27 THE PLANTS AND INVENTORY OF THE TWO FACILITIES.

1 (3) ALL PERSONS LICENSED PURSUANT TO THIS ARTICLE SHALL
2 COLLECT SALES TAX ON ALL RETAIL SALES MADE AT A RETAIL MARIJUANA
3 STORE.

4 (4) A STATE-CHARTERED BANK OR A CREDIT UNION MAY LOAN
5 MONEY TO ANY PERSON LICENSED PURSUANT TO THIS ARTICLE FOR THE
6 OPERATION OF A LICENSED BUSINESS.

7 **12-43.4-402. Retail marijuana store license.** (1) (a) A RETAIL
8 MARIJUANA STORE LICENSE SHALL BE ISSUED ONLY TO A PERSON SELLING
9 RETAIL MARIJUANA PURSUANT TO THE TERMS AND CONDITIONS OF THIS
10 ARTICLE.

11 (b) A RETAIL MARIJUANA STORE MAY CULTIVATE ITS OWN RETAIL
12 MARIJUANA IF IT OBTAINS A RETAIL MARIJUANA CULTIVATION FACILITY
13 LICENSE OR IT MAY PURCHASE RETAIL MARIJUANA FROM A LICENSED
14 RETAIL MARIJUANA CULTIVATION FACILITY. A RETAIL MARIJUANA STORE
15 SHALL TRACK ALL OF ITS RETAIL MARIJUANA FROM THE POINT IT IS EITHER
16 TRANSFERRED FROM ITS RETAIL MARIJUANA CULTIVATION FACILITY OR
17 THE POINT WHEN IT IS DELIVERED TO THE RETAIL MARIJUANA STORE FROM
18 ANOTHER LICENSED RETAIL MARIJUANA CULTIVATION FACILITY TO THE
19 POINT OF SALE.

20 (c) A RETAIL MARIJUANA STORE SHALL NOT ACCEPT ANY RETAIL
21 MARIJUANA PURCHASED FROM A RETAIL MARIJUANA CULTIVATION
22 FACILITY UNLESS THE RETAIL MARIJUANA IS AFFIXED WITH EVIDENCE THAT
23 THE EXCISE TAX WAS PAID.

24 (2) (a) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, A
25 RETAIL MARIJUANA STORE LICENSEE MAY ALSO SELL RETAIL MARIJUANA
26 PRODUCTS THAT ARE PREPACKAGED AND LABELED AS REQUIRED BY RULES
27 OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202.

1 (b) A RETAIL MARIJUANA STORE LICENSEE MAY CONTRACT WITH
2 A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE FOR THE
3 PURCHASE OF RETAIL MARIJUANA PRODUCTS UPON A RETAIL MARIJUANA
4 PRODUCTS MANUFACTURING LICENSEE'S LICENSED PREMISES. A RETAIL
5 MARIJUANA STORE SHALL NOT ACCEPT ANY RETAIL MARIJUANA PRODUCTS
6 PURCHASED FROM A RETAIL MARIJUANA PRODUCTS MANUFACTURING
7 LICENSEE UNLESS THE RETAIL MARIJUANA PRODUCTS ARE AFFIXED WITH
8 EVIDENCE THAT THE EXCISE TAX WAS PAID.

9 (3) (a) A RETAIL MARIJUANA STORE MAY NOT SELL MORE THAN A
10 QUARTER OF AN OUNCE OF RETAIL MARIJUANA AND NO MORE THAN A
11 QUARTER OF AN OUNCE EQUIVALENT OF A RETAIL MARIJUANA PRODUCTS
12 DURING A SINGLE TRANSACTION TO A NONRESIDENT OF THE STATE OF
13 COLORADO.

14 (b) PRIOR TO INITIATING A SALE, THE EMPLOYEE OF THE RETAIL
15 MARIJUANA STORE MAKING THE SALE SHALL VERIFY THAT THE PURCHASER
16 HAS A VALID IDENTIFICATION CARD SHOWING THE PURCHASER IS
17 TWENTY-ONE YEARS OF AGE OR OLDER.

18 (4) A RETAIL MARIJUANA STORE MAY PROVIDE A SAMPLE OF ITS
19 PRODUCTS TO A FACILITY THAT HAS A MARIJUANA TESTING FACILITY
20 LICENSE FROM THE STATE LICENSING AUTHORITY FOR TESTING AND
21 RESEARCH PURPOSES. A RETAIL MARIJUANA STORE SHALL MAINTAIN A
22 RECORD OF WHAT WAS PROVIDED TO THE TESTING FACILITY AND THE
23 IDENTITY OF THE TESTING FACILITY.

24 (5) ALL RETAIL MARIJUANA SOLD AT A LICENSED RETAIL
25 MARIJUANA STORE SHALL BE PACKAGED AND LABELED AS REQUIRED BY
26 RULES OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION
27 12-43.4-202.

1 (6) A LICENSED RETAIL MARIJUANA STORE SHALL COMPLY WITH
2 ALL PROVISIONS OF ARTICLE 34 OF TITLE 24, C.R.S., AS THE PROVISIONS
3 RELATE TO PERSONS WITH DISABILITIES.

4 (7) (a) A LICENSED RETAIL MARIJUANA STORE MAY ONLY SELL
5 RETAIL MARIJUANA, RETAIL MARIJUANA PRODUCTS, AND MARIJUANA
6 ACCESSORIES. A LICENSED RETAIL MARIJUANA STORE MAY NOT SELL ANY
7 OTHER ITEMS.

8 (b) A LICENSED RETAIL MARIJUANA STORE MAY NOT SELL ANY
9 RETAIL MARIJUANA PRODUCTS THAT CONTAIN NICOTINE OR ALCOHOL.

10 (8) A LICENSED RETAIL MARIJUANA STORE MAY ONLY SELL RETAIL
11 MARIJUANA AND RETAIL MARIJUANA PRODUCTS IN PACKAGING THAT
12 CONFORMS TO THE REGULATIONS ADOPTED BY THE STATE LICENSING
13 AUTHORITY.

14 (9) THE PREMISES OF A LICENSED RETAIL MARIJUANA STORE IS THE
15 ONLY PLACE WHERE AN AUTOMATIC DISPENSING MACHINE THAT CONTAINS
16 RETAIL MARIJUANA MAY BE LOCATED. IF A LICENSED RETAIL MARIJUANA
17 STORE USES AN AUTOMATIC DISPENSING MACHINE THAT CONTAINS RETAIL
18 MARIJUANA, IT MUST COMPLY WITH THE REGULATIONS PROMULGATED BY
19 THE STATE LICENSING AUTHORITY FOR ITS USE.

20 **12-43.4-403. Retail marijuana cultivation facility license.** (1) A
21 RETAIL MARIJUANA CULTIVATION FACILITY LICENSE MAY BE ISSUED ONLY
22 TO A PERSON WHO GROWS AND CULTIVATES RETAIL MARIJUANA FOR SALE
23 AND DISTRIBUTION TO LICENSED RETAIL MARIJUANA STORES OR RETAIL
24 MARIJUANA PRODUCTS MANUFACTURING LICENSEES.

25 (2) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL REMIT THE
26 EXCISE TAX DUE BASED ON THE AVERAGE WHOLESALE PRICE SET BY THE
27 STATE LICENSING AUTHORITY.

1 (3) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL TRACK
2 THE MARIJUANA IT CULTIVATES FROM SEED TO WHOLESALE PURCHASE.
3 PRIOR TO DELIVERY OF ANY SOLD RETAIL MARIJUANA, THE RETAIL
4 MARIJUANA CULTIVATION FACILITY SHALL AFFIX EVIDENCE THAT IT PAID
5 THE EXCISE TAX ON THE RETAIL MARIJUANA.

6 **12-43.4-404. Retail marijuana products manufacturing**
7 **license.** (1) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURING
8 LICENSE MAY BE ISSUED TO A PERSON WHO MANUFACTURES RETAIL
9 MARIJUANA PRODUCTS, PURSUANT TO THE TERMS AND CONDITIONS OF
10 THIS ARTICLE.

11 (b) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY
12 CULTIVATE ITS OWN RETAIL MARIJUANA IF IT OBTAINS A RETAIL
13 MARIJUANA CULTIVATION FACILITY LICENSE, OR IT MAY PURCHASE RETAIL
14 MARIJUANA FROM A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY.
15 A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL TRACK ALL OF
16 ITS RETAIL MARIJUANA FROM THE POINT IT IS EITHER TRANSFERRED FROM
17 ITS RETAIL MARIJUANA CULTIVATION FACILITY OR THE POINT WHEN IT IS
18 DELIVERED TO THE RETAIL MARIJUANA PRODUCTS MANUFACTURER FROM
19 A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF
20 SALE.

21 (c) A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL NOT
22 ACCEPT ANY RETAIL MARIJUANA PURCHASED FROM A RETAIL MARIJUANA
23 CULTIVATION FACILITY UNLESS THE RETAIL MARIJUANA IS AFFIXED WITH
24 EVIDENCE THAT THE EXCISE TAX WAS PAID.

25 (2) RETAIL MARIJUANA PRODUCTS SHALL BE PREPARED ON A
26 LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE MANUFACTURE
27 AND PREPARATION OF RETAIL MARIJUANA PRODUCTS AND USING

1 EQUIPMENT THAT IS USED EXCLUSIVELY FOR THE MANUFACTURE AND
2 PREPARATION OF RETAIL MARIJUANA PRODUCTS; EXCEPT THAT, IF
3 PERMITTED BY THE LOCAL JURISDICTION, A RETAIL MARIJUANA PRODUCTS
4 MANUFACTURING LICENSEE MAY SHARE THE SAME PREMISES AS A
5 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SO
6 LONG AS A VIRTUAL OR PHYSICAL SEPARATION OF INVENTORY IS
7 MAINTAINED PURSUANT TO RULE OF THE STATE LICENSING AUTHORITY.

8 (3) ALL LICENSED PREMISES ON WHICH RETAIL MARIJUANA
9 PRODUCTS ARE MANUFACTURED SHALL MEET THE SANITARY STANDARDS
10 FOR RETAIL MARIJUANA PRODUCT PREPARATION PROMULGATED PURSUANT
11 TO SECTION 12-43.4-202 (2) (a) (XI).

12 (4) THE RETAIL MARIJUANA PRODUCT SHALL BE SEALED AND
13 CONSPICUOUSLY LABELED IN COMPLIANCE WITH THIS ARTICLE AND ANY
14 RULES PROMULGATED PURSUANT TO THIS ARTICLE. THE LABELING OF
15 RETAIL MARIJUANA PRODUCTS IS A MATTER OF STATEWIDE CONCERN.

16 (5) RETAIL MARIJUANA PRODUCTS MAY NOT BE CONSUMED ON A
17 PREMISES LICENSED PURSUANT TO THIS ARTICLE.

18 (6) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW,
19 SALES OF RETAIL MARIJUANA PRODUCTS SHALL NOT BE EXEMPT FROM
20 STATE OR LOCAL SALES TAX.

21 (7) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY
22 PROVIDE A SAMPLE OF ITS PRODUCTS TO A FACILITY THAT HAS A RETAIL
23 MARIJUANA TESTING FACILITY LICENSE FROM THE STATE LICENSING
24 AUTHORITY FOR TESTING AND RESEARCH PURPOSES. A RETAIL MARIJUANA
25 PRODUCTS MANUFACTURER SHALL MAINTAIN A RECORD OF WHAT WAS
26 PROVIDED TO THE TESTING FACILITY AND THE IDENTITY OF THE TESTING
27 FACILITY.

1 (8) AN EDIBLE RETAIL MARIJUANA PRODUCT MAY LIST ITS
2 INGREDIENTS AND COMPARABILITY WITH DIETARY PRACTICES.

3 (9) A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER
4 SHALL PACKAGE AND LABEL EACH PRODUCT MANUFACTURED AS REQUIRED
5 BY RULES OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION
6 12-43.4-202.

7 (10) ALL RETAIL MARIJUANA PRODUCTS THAT REQUIRE
8 REFRIGERATION TO PREVENT SPOILAGE MUST BE STORED AND
9 TRANSPORTED IN A REFRIGERATED ENVIRONMENT.

10 **12-43.4-405. Retail marijuana testing facility license - rules.**

11 (1) A RETAIL MARIJUANA TESTING FACILITY LICENSE MAY BE ISSUED TO
12 A PERSON WHO PERFORMS TESTING AND RESEARCH ON RETAIL MARIJUANA.
13 THE FACILITY MAY DEVELOP AND TEST RETAIL MARIJUANA PRODUCTS.

14 (2) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
15 PURSUANT TO ITS AUTHORITY IN SECTION 12-43.4-202 (1) (b) RELATED TO
16 ACCEPTABLE TESTING AND RESEARCH PRACTICES, INCLUDING BUT NOT
17 LIMITED TO TESTING, STANDARDS, QUALITY CONTROL ANALYSIS,
18 EQUIPMENT CERTIFICATION AND CALIBRATION, AND CHEMICAL
19 IDENTIFICATION AND OTHER SUBSTANCES USED IN BONA FIDE RESEARCH
20 METHODS.

21 (3) A FACILITY THAT HAS A RETAIL MARIJUANA TESTING FACILITY
22 LICENSE FROM THE STATE LICENSING AUTHORITY FOR TESTING PURPOSES
23 SHALL NOT HAVE ANY INTEREST IN A LICENSED MEDICAL MARIJUANA
24 CENTER, A LICENSED MEDICAL MARIJUANA-INFUSED PRODUCTS
25 MANUFACTURER, A LICENSED RETAIL MARIJUANA STORE, A LICENSED
26 RETAIL MARIJUANA CULTIVATION FACILITY, OR A LICENSED RETAIL
27 MARIJUANA PRODUCTS MANUFACTURER. A PERSON THAT HAS AN INTEREST

1 IN A LICENSED MEDICAL MARIJUANA CENTER, A LICENSED MEDICAL
2 MARIJUANA-INFUSED PRODUCTS MANUFACTURER, A LICENSED RETAIL
3 MARIJUANA STORE, A LICENSED RETAIL MARIJUANA CULTIVATION
4 FACILITY, OR A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER
5 SHALL NOT HAVE AN INTEREST IN A FACILITY THAT HAS A RETAIL
6 MARIJUANA TESTING FACILITY LICENSE.

7 PART 5

8 FEES

9 **12-43.4-501. Fees.** (1) THE STATE LICENSING AUTHORITY MAY
10 CHARGE AND COLLECT FEES UNDER THIS ARTICLE. THE APPLICATION FEE
11 FOR A PERSON APPLYING PURSUANT TO SECTION 12-43.4-104 (1)(a) SHALL
12 BE FIVE HUNDRED DOLLARS. THE STATE LICENSING AUTHORITY SHALL
13 TRANSFER TWO HUNDRED FIFTY DOLLARS OF THE FEE TO THE MARIJUANA
14 CASH FUND AND SUBMIT TWO HUNDRED FIFTY DOLLARS TO THE LOCAL
15 JURISDICTION IN WHICH THE LICENSE IS PROPOSED TO BE ISSUED.

16 (2) THE APPLICATION FEE FOR A PERSON APPLYING PURSUANT TO
17 SECTION 12-43.4-104 (1) (b) SHALL BE FIVE THOUSAND DOLLARS. THE
18 STATE LICENSING AUTHORITY SHALL TRANSFER TWO THOUSAND FIVE
19 HUNDRED DOLLARS OF THE FEE TO THE MARIJUANA CASH FUND AND REMIT
20 TWO THOUSAND FIVE HUNDRED DOLLARS TO THE LOCAL JURISDICTION IN
21 WHICH THE LICENSE IS PROPOSED TO BE ISSUED. THE STATE LICENSING
22 AUTHORITY IS CONSIDERING RAISING THE FIVE THOUSAND DOLLAR
23 APPLICATION FEE IT SHALL CONFER WITH EACH LOCAL JURISDICTION IN
24 WHICH A LICENSE UNDER THIS ARTICLE IS ISSUED PRIOR TO RAISING THE
25 APPLICATION FEE. IF THE APPLICATION FEE AMOUNT IS CHANGED, IT MUST
26 BE SPLIT EVENLY BETWEEN THE MARIJUANA CASH FUND AND THE LOCAL
27 JURISDICTION IN WHICH THE LICENSE IS PROPOSED TO BE ISSUED.

1 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY HAS THE POWER
2 TO ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE
3 OF PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
4 NECESSARY TO THE DETERMINATION OF A HEARING THAT THE STATE
5 AUTHORITY IS AUTHORIZED TO CONDUCT.

6 (2) THE STATE LICENSING AUTHORITY SHALL PROVIDE NOTICE OF
7 SUSPENSION, REVOCATION, FINE, OR OTHER SANCTION, AS WELL AS THE
8 REQUIRED NOTICE OF THE HEARING PURSUANT TO SUBSECTION (1) OF THIS
9 SECTION, BY MAILING THE SAME IN WRITING TO THE LICENSEE AT THE
10 ADDRESS CONTAINED IN THE LICENSE. EXCEPT IN THE CASE OF A SUMMARY
11 SUSPENSION, A SUSPENSION SHALL NOT BE FOR A PERIOD LONGER THAN SIX
12 MONTHS. IF A LICENSE IS SUSPENDED OR REVOKED, A PART OF THE FEES
13 PAID THEREFOR SHALL NOT BE RETURNED TO THE LICENSEE. ANY LICENSE
14 OR PERMIT MAY BE SUMMARILY SUSPENDED BY THE STATE LICENSING
15 AUTHORITY WITHOUT NOTICE PENDING ANY PROSECUTION,
16 INVESTIGATION, OR PUBLIC HEARING PURSUANT TO THE TERMS OF SECTION
17 24-4-104 (4), C.R.S. NOTHING IN THIS SECTION SHALL PREVENT THE
18 SUMMARY SUSPENSION OF A LICENSE PURSUANT TO SECTION 24-4-104 (4),
19 C.R.S.

20 (3) (a) WHENEVER A DECISION OF THE STATE LICENSING
21 AUTHORITY SUSPENDING A LICENSE FOR FOURTEEN DAYS OR LESS
22 BECOMES FINAL, THE LICENSEE MAY, BEFORE THE OPERATIVE DATE OF THE
23 SUSPENSION, PETITION FOR PERMISSION TO PAY A FINE IN LIEU OF HAVING
24 THE LICENSE SUSPENDED FOR ALL OR PART OF THE SUSPENSION PERIOD.
25 UPON THE RECEIPT OF THE PETITION, THE STATE AUTHORITY MAY, IN ITS
26 SOLE DISCRETION, STAY THE PROPOSED SUSPENSION AND CAUSE ANY
27 INVESTIGATION TO BE MADE WHICH IT DEEMS DESIRABLE AND MAY, IN ITS

1 SOLE DISCRETION, GRANT THE PETITION IF THE STATE LICENSING
2 AUTHORITY IS SATISFIED THAT:

3 (I) THE PUBLIC WELFARE WOULD NOT BE IMPAIRED BY PERMITTING
4 THE LICENSEE TO OPERATE DURING THE PERIOD SET FOR SUSPENSION AND
5 THAT THE PAYMENT OF THE FINE WILL ACHIEVE THE DESIRED
6 DISCIPLINARY PURPOSES;

7 (II) THE BOOKS AND RECORDS OF THE LICENSEE ARE KEPT IN SUCH
8 A MANNER THAT THE LOSS OF SALES THAT THE LICENSEE WOULD HAVE
9 SUFFERED HAD THE SUSPENSION GONE INTO EFFECT CAN BE DETERMINED
10 WITH REASONABLE ACCURACY; AND

11 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED
12 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,
13 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE
14 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND
15 THE LICENSE OR PERMIT.

16 (b) THE FINE ACCEPTED SHALL BE NOT LESS THAN FIVE HUNDRED
17 DOLLARS NOR MORE THAN ONE HUNDRED THOUSAND DOLLARS.

18 (c) PAYMENT OF A FINE PURSUANT TO THE PROVISIONS OF THIS
19 SUBSECTION (3) SHALL BE IN THE FORM OF CASH OR IN THE FORM OF A
20 CERTIFIED CHECK OR CASHIER'S CHECK MADE PAYABLE TO THE STATE OR
21 LOCAL LICENSING AUTHORITY, WHICHEVER IS APPROPRIATE.

22 (4) UPON PAYMENT OF THE FINE PURSUANT TO SUBSECTION (3) OF
23 THIS SECTION, THE STATE LICENSING AUTHORITY SHALL ENTER ITS
24 FURTHER ORDER PERMANENTLY STAYING THE IMPOSITION OF THE
25 SUSPENSION. FINES PAID TO THE STATE LICENSING AUTHORITY PURSUANT
26 TO SUBSECTION (3) OF THIS SECTION SHALL BE TRANSMITTED TO THE
27 STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE MARIJUANA

1 CASH FUND CREATED IN SECTION 12-43.3-501.

2 (5) IN CONNECTION WITH A PETITION PURSUANT TO SUBSECTION (3)
3 OF THIS SECTION, THE AUTHORITY OF THE STATE LICENSING AUTHORITY IS
4 LIMITED TO THE GRANTING OF SUCH STAYS AS ARE NECESSARY FOR THE
5 AUTHORITY TO COMPLETE ITS INVESTIGATION AND MAKE ITS FINDINGS
6 AND, IF THE AUTHORITY MAKES SUCH FINDINGS, TO THE GRANTING OF AN
7 ORDER PERMANENTLY STAYING THE IMPOSITION OF THE ENTIRE
8 SUSPENSION OR THAT PORTION OF THE SUSPENSION NOT OTHERWISE
9 CONDITIONALLY STAYED.

10 (6) IF THE STATE LICENSING AUTHORITY DOES NOT MAKE THE
11 FINDINGS REQUIRED IN PARAGRAPH (a) OF SUBSECTION (3) OF THIS
12 SECTION AND DOES NOT ORDER THE SUSPENSION PERMANENTLY STAYED,
13 THE SUSPENSION SHALL GO INTO EFFECT ON THE OPERATIVE DATE FINALLY
14 SET BY THE STATE LICENSING AUTHORITY.

15 (7) NO LATER THAN JANUARY 15 OF EACH YEAR, THE STATE
16 LICENSING AUTHORITY SHALL COMPILE A REPORT OF THE PRECEDING
17 YEAR'S ACTIONS IN WHICH FINES, SUSPENSIONS, OR REVOCATIONS WERE
18 IMPOSED BY THE STATE LICENSING AUTHORITY. THE STATE LICENSING
19 AUTHORITY SHALL FILE ONE COPY OF THE REPORT WITH THE CHIEF CLERK
20 OF THE HOUSE OF REPRESENTATIVES, ONE COPY WITH THE SECRETARY OF
21 THE SENATE, AND SIX COPIES IN THE JOINT LEGISLATIVE LIBRARY.

22 **12-43.4-602. Disposition of unauthorized marijuana or**
23 **marijuana products and related materials.** (1) THE PROVISIONS OF
24 THIS SECTION SHALL APPLY IN ADDITION TO ANY CRIMINAL, CIVIL, OR
25 ADMINISTRATIVE PENALTIES AND IN ADDITION TO ANY OTHER PENALTIES
26 PRESCRIBED BY THIS ARTICLE OR ANY RULES PROMULGATED PURSUANT TO
27 THIS ARTICLE. ANY PROVISIONS IN THIS ARTICLE RELATED TO LAW

1 ENFORCEMENT SHALL BE CONSIDERED A CUMULATIVE RIGHT OF THE
2 PEOPLE IN THE ENFORCEMENT OF THE CRIMINAL LAWS.

3 (2) EVERY LICENSEE LICENSED UNDER THIS ARTICLE SHALL BE
4 DEEMED, BY VIRTUE OF APPLYING FOR, HOLDING, OR RENEWING SUCH
5 PERSON'S LICENSE, TO HAVE EXPRESSLY CONSENTED TO THE PROCEDURES
6 SET FORTH IN THIS SECTION.

7 (3) A STATE OR LOCAL AGENCY SHALL NOT BE REQUIRED TO
8 CULTIVATE OR CARE FOR ANY RETAIL MARIJUANA OR RETAIL MARIJUANA
9 PRODUCT BELONGING TO OR SEIZED FROM A LICENSEE. A STATE OR LOCAL
10 AGENCY SHALL NOT BE AUTHORIZED TO SELL MARIJUANA, RETAIL OR
11 OTHERWISE.

12 (4) IF THE STATE LICENSING AUTHORITY ISSUES A FINAL AGENCY
13 ORDER IMPOSING A DISCIPLINARY ACTION AGAINST A LICENSEE PURSUANT
14 TO SECTION 12-43.4-601, THEN, IN ADDITION TO ANY OTHER REMEDIES,
15 THE LICENSING AUTHORITY'S FINAL AGENCY ORDER MAY SPECIFY THAT
16 SOME OR ALL OF THE LICENSEE'S MARIJUANA OR MARIJUANA PRODUCT IS
17 NOT RETAIL MARIJUANA OR A RETAIL MARIJUANA PRODUCT AND IS AN
18 ILLEGAL CONTROLLED SUBSTANCE. THE ORDER MAY FURTHER SPECIFY
19 THAT THE LICENSEE SHALL LOSE ANY INTEREST IN ANY OF THE MARIJUANA
20 OR MARIJUANA PRODUCT EVEN IF THE MARIJUANA OR MARIJUANA
21 PRODUCT PREVIOUSLY QUALIFIED AS RETAIL MARIJUANA OR A RETAIL
22 MARIJUANA PRODUCT. THE FINAL AGENCY ORDER MAY DIRECT THE
23 DESTRUCTION OF ANY SUCH MARIJUANA AND MARIJUANA PRODUCTS,
24 EXCEPT AS PROVIDED IN SUBSECTIONS (5) AND (6) OF THIS SECTION. THE
25 AUTHORIZED DESTRUCTION MAY INCLUDE THE INCIDENTAL DESTRUCTION
26 OF ANY CONTAINERS, EQUIPMENT, SUPPLIES, AND OTHER PROPERTY
27 ASSOCIATED WITH THE MARIJUANA OR MARIJUANA PRODUCT.

1 (5) FOLLOWING THE ISSUANCE OF A FINAL AGENCY ORDER BY THE
2 STATE LICENSING AUTHORITY AGAINST A LICENSEE AND ORDERING
3 DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION, A
4 LICENSEE SHALL HAVE FIFTEEN DAYS WITHIN WHICH TO FILE A PETITION
5 FOR STAY OF AGENCY ACTION WITH THE DISTRICT COURT. THE ACTION
6 SHALL BE FILED IN THE CITY AND COUNTY OF DENVER, WHICH SHALL BE
7 DEEMED TO BE THE RESIDENCE OF THE STATE LICENSING AUTHORITY FOR
8 PURPOSES OF THIS SECTION. THE LICENSEE SHALL SERVE THE PETITION IN
9 ACCORDANCE WITH THE COLORADO RULES OF CIVIL PROCEDURE. THE
10 DISTRICT COURT SHALL PROMPTLY RULE UPON THE PETITION AND
11 DETERMINE WHETHER THE LICENSEE HAS A SUBSTANTIAL LIKELIHOOD OF
12 SUCCESS ON JUDICIAL REVIEW SO AS TO WARRANT DELAY OF THE
13 DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION OR
14 WHETHER OTHER CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO THE
15 NEED FOR PRESERVATION OF EVIDENCE, WARRANT DELAY OF SUCH
16 DESTRUCTION. IF DESTRUCTION IS SO DELAYED PURSUANT TO JUDICIAL
17 ORDER, THE COURT SHALL ISSUE AN ORDER SETTING FORTH TERMS AND
18 CONDITIONS PURSUANT TO WHICH THE LICENSEE MAY MAINTAIN THE
19 RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCT PENDING JUDICIAL
20 REVIEW, AND PROHIBITING THE LICENSEE FROM USING OR DISTRIBUTING
21 THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT PENDING THE
22 REVIEW. THE LICENSING AUTHORITY SHALL NOT CARRY OUT THE
23 DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION UNTIL
24 FIFTEEN DAYS HAVE PASSED WITHOUT THE FILING OF A PETITION FOR STAY
25 OF AGENCY ACTION, OR UNTIL THE COURT HAS ISSUED AN ORDER DENYING
26 STAY OF AGENCY ACTION PURSUANT TO THIS SUBSECTION (5).

27 (6) THE STATE LICENSING AUTHORITY SHALL NOT CARRY OUT THE

1 DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION UNTIL IT
2 HAS NOTIFIED THE DISTRICT ATTORNEY FOR THE JUDICIAL DISTRICT IN
3 WHICH THE MARIJUANA IS LOCATED TO DETERMINE WHETHER THE
4 MARIJUANA OR MARIJUANA PRODUCT CONSTITUTES EVIDENCE IN A
5 CRIMINAL PROCEEDING SUCH THAT IT SHOULD NOT BE DESTROYED, AND
6 UNTIL FIFTEEN DAYS HAVE PASSED FROM THE DATE OF THE ISSUANCE OF
7 SUCH NOTICE.

8 (7) ON OR BEFORE JANUARY 1, 2014, THE STATE LICENSING
9 AUTHORITY SHALL PROMULGATE RULES GOVERNING THE IMPLEMENTATION
10 OF THIS SECTION.

11 PART 7

12 INSPECTION OF BOOKS AND RECORDS

13 **12-43.4-701. Inspection procedures.** (1) EACH LICENSEE SHALL
14 KEEP A COMPLETE SET OF ALL RECORDS NECESSARY TO SHOW FULLY THE
15 BUSINESS TRANSACTIONS OF THE LICENSEE, ALL OF WHICH SHALL BE OPEN
16 AT ALL TIMES DURING BUSINESS HOURS FOR THE INSPECTION AND
17 EXAMINATION BY THE STATE LICENSING AUTHORITY OR ITS DULY
18 AUTHORIZED REPRESENTATIVES. THE STATE LICENSING AUTHORITY MAY
19 REQUIRE ANY LICENSEE TO FURNISH SUCH INFORMATION AS IT CONSIDERS
20 NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE AND MAY
21 REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS
22 ON SUCH OCCASIONS AS IT MAY CONSIDER NECESSARY BY AN AUDITOR TO
23 BE SELECTED BY THE STATE LICENSING AUTHORITY WHO SHALL LIKEWISE
24 HAVE ACCESS TO ALL BOOKS AND RECORDS OF THE LICENSEE, AND THE
25 EXPENSE THEREOF SHALL BE PAID BY THE LICENSEE.

26 (2) THE LICENSED PREMISES, INCLUDING ANY PLACES OF STORAGE
27 WHERE RETAIL MARIJUANA IS GROWN, STORED, CULTIVATED, SOLD,

1 DISPENSED, OR TESTED SHALL BE SUBJECT TO INSPECTION BY THE STATE
2 OR LOCAL LICENSING AUTHORITIES AND THEIR INVESTIGATORS, DURING
3 ALL BUSINESS HOURS AND OTHER TIMES OF APPARENT ACTIVITY, FOR THE
4 PURPOSE OF INSPECTION OR INVESTIGATION. ACCESS SHALL BE REQUIRED
5 DURING BUSINESS HOURS FOR EXAMINATION OF ANY INVENTORY OR BOOKS
6 AND RECORDS REQUIRED TO BE KEPT BY THE LICENSEES. WHEN ANY PART
7 OF THE LICENSED PREMISES CONSISTS OF A LOCKED AREA, UPON DEMAND
8 TO THE LICENSEE, SUCH AREA SHALL BE MADE AVAILABLE FOR INSPECTION
9 WITHOUT DELAY, AND, UPON REQUEST BY AUTHORIZED REPRESENTATIVES
10 OF THE STATE OR LOCAL LICENSING AUTHORITY, THE LICENSEE SHALL
11 OPEN THE AREA FOR INSPECTION.

12 (3) EACH LICENSEE SHALL RETAIN ALL BOOKS AND RECORDS
13 NECESSARY TO SHOW FULLY THE BUSINESS TRANSACTIONS OF THE
14 LICENSEE FOR A PERIOD OF THE CURRENT TAX YEAR AND THE THREE
15 IMMEDIATELY PRIOR TAX YEARS.

16 PART 8

17 JUDICIAL REVIEW

18 **12-43.4-801. Judicial review.** DECISIONS BY THE STATE
19 LICENSING AUTHORITY ARE SUBJECT TO JUDICIAL REVIEW PURSUANT TO
20 SECTION 24-4-106, C.R.S.

21 PART 9

22 UNLAWFUL ACTS

23 **12-43.4-901. Unlawful acts - exceptions.** (1) EXCEPT AS
24 OTHERWISE PROVIDED IN THIS ARTICLE, IT IS UNLAWFUL FOR A PERSON TO
25 CONSUME RETAIL MARIJUANA IN A LICENSED RETAIL MARIJUANA
26 ESTABLISHMENT, AND IT IS UNLAWFUL FOR A RETAIL MARIJUANA LICENSEE
27 TO ALLOW RETAIL MARIJUANA TO BE CONSUMED UPON ITS LICENSED

1 PREMISES.

2 (2) IT IS UNLAWFUL FOR A PERSON TO:

3 (a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE RETAIL
4 MARIJUANA EXCEPT AS ALLOWED PURSUANT TO THIS ARTICLE OR SECTION
5 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION; OR

6 (b) HAVE AN UNREPORTED FINANCIAL INTEREST OR A DIRECT
7 INTEREST IN A LICENSE PURSUANT TO THIS ARTICLE; EXCEPT THAT THIS
8 PARAGRAPH (b) DOES NOT APPLY TO BANKS, SAVINGS AND LOAN
9 ASSOCIATIONS, OR INDUSTRIAL BANKS SUPERVISED AND REGULATED BY
10 AN AGENCY OF THE STATE OR FEDERAL GOVERNMENT, OR TO
11 FHA-APPROVED MORTGAGEES, OR TO STOCKHOLDERS, DIRECTORS, OR
12 OFFICERS THEREOF.

13 (3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS
14 ARTICLE:

15 (a) TO BE WITHIN A LIMITED-ACCESS AREA UNLESS THE PERSON'S
16 LICENSE BADGE IS DISPLAYED AS REQUIRED BY THIS ARTICLE, EXCEPT AS
17 PROVIDED IN SECTION 12-43.4-701;

18 (b) TO FAIL TO DESIGNATE AREAS OF INGRESS AND EGRESS FOR
19 LIMITED-ACCESS AREAS AND POST SIGNS IN CONSPICUOUS LOCATIONS AS
20 REQUIRED BY THIS ARTICLE;

21 (c) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
22 12-43.4-309 (11);

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

25 (e) TO FAIL TO PAY THE LAWFUL EXCISE TAX.

26 (4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL RETAIL
27 MARIJUANA PURSUANT TO THIS ARTICLE:

- 1 (a) TO DISPLAY ANY SIGNS THAT ARE INCONSISTENT WITH LOCAL
2 LAWS OR REGULATIONS;
- 3 (b) TO USE ADVERTISING MATERIAL THAT IS MISLEADING,
4 DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;
- 5 (c) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR
6 THE PURPOSE OF CONSUMPTION OF RETAIL MARIJUANA IN ANY FORM;
- 7 (d) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR RETAIL
8 MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;
- 9 (e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
10 RETAIL MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE
11 LICENSE;
- 12 (f) TO BUY RETAIL MARIJUANA FROM A PERSON NOT LICENSED TO
13 SELL AS PROVIDED BY THIS ARTICLE;
- 14 (g) TO SELL RETAIL MARIJUANA, EXCEPT IN THE PERMANENT
15 LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE;
- 16 (h) TO SELL RETAIL MARIJUANA TO A PERSON UNDER TWENTY-ONE
17 YEARS OF AGE;
- 18 (i) TO SELL MORE THAN A QUARTER OF AN OUNCE OF RETAIL
19 MARIJUANA AND NO MORE THAN A QUARTER OF AN OUNCE EQUIVALENT OF
20 A RETAIL MARIJUANA PRODUCT DURING A SINGLE TRANSACTION TO A
21 NONRESIDENT OF THE STATE;
- 22 (j) TO HAVE ON THE LICENSED PREMISES ANY RETAIL MARIJUANA
23 OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF THE RETAIL
24 MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY CONSUMED;
- 25 (k) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105,
26 C.R.S.;
- 27 (l) TO BURN OR OTHERWISE DESTROY MARIJUANA OR ANY

1 SUBSTANCE CONTAINING MARIJUANA FOR THE PURPOSE OF EVADING AN
2 INVESTIGATION OR PREVENTING SEIZURE; OR

3 (m) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE
4 OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING
5 AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT
6 ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY
7 FOR DESTRUCTION ALL MARIJUANA OR PRODUCTS CONTAINING
8 MARIJUANA.

9 (5) A PERSON WHO COMMITS ANY ACTS THAT ARE UNLAWFUL
10 PURSUANT TO THIS ARTICLE OR THE RULES AUTHORIZED AND ADOPTED
11 PURSUANT TO THIS ARTICLE COMMITS A CLASS 2 MISDEMEANOR AND
12 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S., EXCEPT
13 FOR VIOLATIONS THAT WOULD ALSO CONSTITUTE A VIOLATION OF TITLE
14 18, C.R.S., WHICH VIOLATION SHALL BE CHARGED AND PROSECUTED
15 PURSUANT TO TITLE 18, C.R.S.

16 PART 10

17 SUNSET REVIEWS

18 **12-43.4-1001. Sunset review - article repeal.** (1) THIS ARTICLE
19 IS REPEALED, EFFECTIVE JULY 1, 2015.

20 (2) PRIOR TO THE REPEAL OF THIS ARTICLE, THE DEPARTMENT OF
21 REGULATORY AGENCIES SHALL CONDUCT A SUNSET REVIEW AS DESCRIBED
22 IN SECTION 24-34-104 (8), C.R.S.

23 **SECTION 5.** In Colorado Revised Statutes, 24-34-104, **add** (46)
24 (o) as follows:

25 **24-34-104. General assembly review of regulatory agencies**
26 **and functions for termination, continuation, or reestablishment.**

27 (46) The following agencies, functions, or both shall terminate on July

1 1, 2015:

2 (o) THE REGULATION OF PERSONS LICENSED PURSUANT TO ARTICLE
3 43.4 OF TITLE 12, C.R.S.

4 **SECTION 6. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.