

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0365.01 Yelana Love x2295

HOUSE BILL 23-1021

HOUSE SPONSORSHIP

Snyder,

SENATE SPONSORSHIP

(None),

House Committees

Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE STATE LICENSING AUTHORITY'S ABILITY TO ACT
102 REGARDING THE MOVEMENT OF MARIJUANA IN CERTAIN
103 CIRCUMSTANCES TO PROTECT THE PUBLIC.

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://leg.colorado.gov>.)

The bill authorizes the executive director of the department of revenue (state licensing authority) to:

- Issue an administrative hold on the movement of medical or retail marijuana pending an investigation;

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

- Embargo medical or retail marijuana when the state licensing authority finds objective and reasonable grounds to believe that the health, safety, or welfare of the public imperatively requires emergency action; and
- Order the destruction of embargoed medical or retail marijuana after notice and opportunity for a hearing.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 44-10-207 as
3 follows:

4 **44-10-207. Authority to seize and destroy marijuana - public**
5 **health, safety, and welfare.** (1) (a) THE STATE LICENSING AUTHORITY OR
6 THE STATE LICENSING AUTHORITY'S DESIGNEE MAY ISSUE AN
7 ADMINISTRATIVE HOLD ON THE MOVEMENT OF MEDICAL OR RETAIL
8 MARIJUANA TO PREVENT THE DESTRUCTION OF EVIDENCE, DIVERSION, OR
9 OTHER THREAT TO PUBLIC SAFETY PENDING AN INVESTIGATION OF AN
10 ALLEGED VIOLATION OF THIS ARTICLE 10 OR RULES PROMULGATED
11 PURSUANT TO THIS ARTICLE 10.

12 (b) AN ADMINISTRATIVE HOLD ISSUED PURSUANT TO SUBSECTION
13 (1)(a) OF THIS SECTION MAY BE LIFTED ONLY BY ORDER OF THE STATE
14 LICENSING AUTHORITY OR THE STATE LICENSING AUTHORITY'S DESIGNEE
15 OR BY AGREEMENT BETWEEN THE STATE LICENSING AUTHORITY AND THE
16 LICENSEE SUBJECT TO THE HOLD.

17 (2) (a) THE STATE LICENSING AUTHORITY OR THE STATE LICENSING
18 AUTHORITY'S DESIGNEE MAY EMBARGO MEDICAL OR RETAIL MARIJUANA
19 WHEN THE STATE LICENSING AUTHORITY FINDS OBJECTIVE AND
20 REASONABLE GROUNDS TO BELIEVE THAT THE HEALTH, SAFETY, OR
21 WELFARE OF THE PUBLIC IMPERATIVELY REQUIRES EMERGENCY ACTION.

22 (b) (I) THE STATE LICENSING AUTHORITY MAY ORDER THE

1 DESTRUCTION OF MEDICAL OR RETAIL MARIJUANA SUBJECT TO AN
2 EMBARGO AFTER NOTICE AND OPPORTUNITY FOR A HEARING BEFORE THE
3 STATE LICENSING AUTHORITY OR, IF DELEGATED BY THE STATE LICENSING
4 AUTHORITY, A DEPARTMENT HEARING OFFICER. A HEARING HELD
5 PURSUANT TO THIS SUBSECTION (2)(b) MUST BE HELD IN ACCORDANCE
6 WITH SECTION 24-4-105.

7 (II) IF MEDICAL OR RETAIL MARIJUANA IS ORDERED DESTROYED
8 PURSUANT TO THIS SUBSECTION (2)(b), THE LICENSEE IS RESPONSIBLE FOR
9 COMPLETING THE DESTRUCTION IN COORDINATION WITH THE STATE
10 LICENSING AUTHORITY AND IN ACCORDANCE WITH THIS ARTICLE 10 AND
11 RULES PROMULGATED PURSUANT TO THIS ARTICLE 10.

12 (III) THE LICENSEE IS RESPONSIBLE FOR ALL EXPENSES RELATED TO
13 THE EMBARGO AND DESTRUCTION OF MEDICAL OR RETAIL MARIJUANA
14 ORDERED PURSUANT TO THIS SUBSECTION (2)(b).

15 (3) THE STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE
16 OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN
17 CONNECTION WITH AN EMBARGO OR A HEARING SEEKING DESTRUCTION OF
18 MEDICAL OR RETAIL MARIJUANA.

19 **SECTION 2.** In Colorado Revised Statutes, 44-10-203, **amend**
20 (2)(g) and (2)(h) as follows:

21 **44-10-203. State licensing authority - rules. (2) Mandatory**
22 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)
23 must include but need not be limited to the following subjects:

24 (g) Health and safety regulations and standards for the
25 manufacture of regulated marijuana products and the cultivation of
26 regulated marijuana, INCLUDING PROCEDURES FOR THE EMBARGO AND
27 DESTRUCTION OF REGULATED MARIJUANA IN ACCORDANCE WITH SECTION

1 44-10-207;

2 (h) Regulation of the storage of, warehouses for, and
3 transportation of regulated marijuana and regulated marijuana products,
4 INCLUDING PROCEDURES FOR THE ADMINISTRATIVE HOLD OF REGULATED
5 MARIJUANA AND REGULATED MARIJUANA PRODUCTS IN ACCORDANCE
6 WITH SECTION 44-10-207;

7 **SECTION 3. Act subject to petition - effective date.** This act
8 takes effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly; except
10 that, if a referendum petition is filed pursuant to section 1 (3) of article V
11 of the state constitution against this act or an item, section, or part of this
12 act within such period, then the act, item, section, or part will not take
13 effect unless approved by the people at the general election to be held in
14 November 2024 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.