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HOUSE BILL 17-1034

BY REPRESENTATIVE(S) Pabon, Arndt, Ginal, Hansen, Herod, Hooton, Landgraf, Lebsock, Melton, Rosenthal, Singer, Duran;
also SENATOR(S) Baumgardner, Crowder, Moreno.

CONCERNING LICENSING CHANGES TO THE MEDICAL MARIJUANA CODE TO
CONFORM WITH THE RETAIL MARIJUANA CODE.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-104, **amend** the introductory portion; and **add** (7.5) as follows:

12-43.3-104. Definitions. As used in this ~~article~~ ARTICLE 43.3, unless the context otherwise requires:

(7.5) "MEDICAL MARIJUANA BUSINESS OPERATOR" MEANS AN ENTITY OR PERSON WHO IS NOT AN OWNER AND WHO IS LICENSED TO PROVIDE PROFESSIONAL OPERATIONAL SERVICES TO A MEDICAL MARIJUANA ESTABLISHMENT FOR DIRECT REMUNERATION FROM THE MEDICAL MARIJUANA ESTABLISHMENT.

SECTION 2. In Colorado Revised Statutes, 12-43.3-202, **amend** (2)(a) introductory portion, (2.5)(a) introductory portion, and (2.5)(a)(I)(C);

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

and **add** (2)(a)(XVIII.7) as follows:

12-43.3-202. Powers and duties of state licensing authority - rules. (2) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection (1)~~ SUBSECTION (1)(b) of this section may include, but need not be limited to, the following subjects:

(XVIII.7) MEDICAL MARIJUANA BUSINESS OPERATOR LICENSEES, INCLUDING THE FORM AND STRUCTURE OF ALLOWABLE AGREEMENTS BETWEEN OPERATORS AND OWNERS.

(2.5) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection (1)~~ SUBSECTION (1)(b) of this section must include, but need not be limited to, the following subjects:

(I) (C) In the event that test results indicate the presence of quantities of any substance determined to be injurious to health, the licensee shall immediately quarantine the products and notify the state licensing authority. THE STATE LICENSING AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO REMEDIATE THE PRODUCT IF THE TEST INDICATED THE PRESENCE OF A MICROBIAL. IF THE LICENSEE IS UNABLE TO REMEDIATE THE PRODUCT, the licensee shall document and properly destroy the adulterated product.

SECTION 3. In Colorado Revised Statutes, 12-43.3-401, **amend** (1) introductory portion; and **add** (1)(f) as follows:

12-43.3-401. Classes of licenses. (1) For the purpose of regulating the cultivation, manufacture, distribution, and sale of medical marijuana, the state licensing authority in its discretion, upon application in the prescribed form made to it, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this ~~article~~ ARTICLE 43.3:

(f) MEDICAL MARIJUANA BUSINESS OPERATOR LICENSE.

SECTION 4. In Colorado Revised Statutes, 12-43.3-404, **amend** (1)(b), (3), (8), and (9)(a) as follows:

12-43.3-404. Medical marijuana-infused products

manufacturing license - rules. (1) (b) A medical marijuana-infused products manufacturer may cultivate its own medical marijuana if it obtains a medical marijuana optional premises cultivation facility license, ~~or~~ it may purchase medical marijuana from a ~~licensed~~ medical marijuana center pursuant to subsection (3) of this section, ~~OR IT MAY PURCHASE MEDICAL MARIJUANA FROM ANOTHER MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER.~~ A medical marijuana-infused products manufacturer shall track all of its medical marijuana from the point it is either transferred from its medical marijuana optional premises cultivation facility or the point when it is delivered to the medical marijuana-infused products manufacturer from a ~~licensed~~ medical marijuana center, ~~or a licensed~~ A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER, OR ONE OF THEIR medical marijuana optional premises cultivation ~~facility~~ FACILITIES to the point of transfer to a ~~licensed~~ medical marijuana center OR A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER.

(3) A medical marijuana-infused products ~~licensee~~ MANUFACTURER shall have a written agreement or contract with a medical marijuana center ~~licensee~~ OR A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER, which contract shall at a minimum set forth the total amount of medical marijuana obtained from a THE medical marijuana center ~~licensee~~ OR THE MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER to be used in the manufacturing process, and the total amount of medical marijuana-infused products to be manufactured from the medical marijuana obtained from the medical marijuana center OR THE MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER. A medical marijuana-infused products ~~licensee~~ MANUFACTURER shall not use medical marijuana from more than five different medical marijuana centers OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURERS IN TOTAL in the production of one medical marijuana-infused product. The medical marijuana-infused products ~~manufacturing licensee~~ MANUFACTURER may sell its products to any ~~licensed~~ medical marijuana center OR TO ANY MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER.

(8) A medical marijuana-infused products ~~licensee~~ MANUFACTURER that has an optional premises cultivation license shall not sell any of the medical marijuana that it cultivates except for the medical marijuana that is contained in medical marijuana-infused products.

(9) (a) A medical marijuana-infused products ~~licensee~~

MANUFACTURER may not have more than five hundred medical marijuana plants on its premises or at its optional premises cultivation operation; except that the director of the division that regulates medical marijuana may grant a waiver in excess of five hundred marijuana plants based on the consideration of the factors in ~~paragraph (b) of this subsection (9)~~ SUBSECTION (9)(b) OF THIS SECTION.

SECTION 5. In Colorado Revised Statutes, **add** 12-43.3-407 as follows:

12-43.3-407. Medical marijuana business operator license. A MEDICAL MARIJUANA BUSINESS OPERATOR LICENSE MAY BE ISSUED TO AN ENTITY OR PERSON WHO OPERATES A MEDICAL MARIJUANA ESTABLISHMENT LICENSED PURSUANT TO THIS ARTICLE 43.3, FOR AN OWNER LICENSED PURSUANT TO THIS ARTICLE 43.3, AND WHO MAY RECEIVE A PORTION OF THE PROFITS AS COMPENSATION.

SECTION 6. In Colorado Revised Statutes, 12-43.3-310, **amend** (13) as follows:

12-43.3-310. Licensing in general. (13) (a) A licensee may move his or her permanent location to any other place in ~~the same municipality or city and county for which the license was originally granted, or in the same county if the license was granted for a place outside the corporate limits of a municipality or city and county, but it shall be unlawful to cultivate, manufacture, distribute, or sell medical marijuana at any such place until permission to do so is granted by the state and local licensing authorities provided for in this article~~ COLORADO ONCE PERMISSION TO DO SO IS GRANTED BY THE STATE AND LOCAL LICENSING AUTHORITIES PROVIDED FOR IN THIS ARTICLE 43.3. UPON RECEIPT OF AN APPLICATION FOR CHANGE OF LOCATION, THE STATE LICENSING AUTHORITY SHALL, WITHIN SEVEN DAYS, SUBMIT A COPY OF THE APPLICATION TO THE LOCAL LICENSING AUTHORITY TO DETERMINE WHETHER THE TRANSFER COMPLIES WITH ALL LOCAL RESTRICTIONS ON CHANGE OF LOCATION.

(b) In permitting a change of location, the state and local licensing authorities shall consider all reasonable restrictions that are or may be placed upon the new location by the governing board or local licensing authority of the municipality, city and county, or county, and any such change in location shall be in accordance with all requirements of this

~~article~~ ARTICLE 43.3 and rules promulgated pursuant to this ~~article~~ ARTICLE 43.3.

SECTION 7. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Kevin J. Grantham
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO