Second Regular Session Seventy-first General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 18-0340.02 Michael Dohr x4347

HOUSE BILL 18-1133

HOUSE SPONSORSHIP

Lebsock,

SENATE SPONSORSHIP

Marble,

House Committees Agriculture, Livestock, & Natural Resources **Senate Committees**

A BILL FOR AN ACT

- 101 CONCERNING REGISTRATION FOR MARIJUANA FIBROUS WASTE
- 102 **RECYCLING FACILITIES.**

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 <u>http://leg.colorado.gov</u>.)

The bill creates a registration in both the medical marijuana and retail marijuana codes for a fibrous waste recycling facility. A fibrous waste recycling facility takes marijuana waste and makes it into industrial products like rope, paper, and building material. The state licensing authority shall issue the registration to an applicant if the applicant demonstrates that its processes render the fibrous waste unusable as medical or retail marijuana.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, 12-43.3-104, add 3 (1.1), (1.2), and (1.8) as follows: 4 12-43.3-104. Definitions. As used in this article 43.3, unless the 5 context otherwise requires: 6 (1.1) "FIBROUS WASTE" MEANS ANY ROOTS, STALKS, AND STEMS 7 FROM A MEDICAL MARIJUANA PLANT, WHICH SHALL NOT BE CONSIDERED 8 MEDICAL MARIJUANA UPON TRANSFER TO A REGISTERED FIBROUS WASTE 9 RECYCLING FACILITY. 10 (1.2) "FIBROUS WASTE RECYCLING FACILITY" MEANS A PERSON 11 REGISTERED BY THE STATE LICENSING AUTHORITY THAT IS AUTHORIZED 12 TO RECEIVE FIBROUS WASTE FROM A MEDICAL MARIJUANA BUSINESS OR A 13 RETAIL MARIJUANA ESTABLISHMENT. 14 (1.8) "INDUSTRIAL FIBER PRODUCTS" MEANS INTERMEDIATE OR 15 FINISHED PRODUCTS MADE FROM FIBROUS WASTE THAT ARE NOT INTENDED 16 FOR HUMAN OR ANIMAL CONSUMPTION AND ARE NOT USABLE OR 17 **RECOGNIZABLE AS MEDICAL MARIJUANA.** INDUSTRIAL FIBER PRODUCTS 18 INCLUDE, BUT ARE NOT LIMITED TO, CORDAGE, PAPER, FUEL, TEXTILES, 19 BEDDING, INSULATION, CONSTRUCTION MATERIALS, AND INDUSTRIAL 20 MATERIALS. 21 SECTION 2. In Colorado Revised Statutes, 12-43.3-202, amend 22 (1)(h)(I); and add (1)(b)(III) and (1)(h)(III) as follows: 23 12-43.3-202. Powers and duties of state licensing authority -24 **rules.** (1) The state licensing authority shall: 25 (b) (III) (A) BEGIN ACCEPTING AND REVIEWING APPLICATIONS FROM A PERSON REQUESTING TO BE REGISTERED AS A FIBROUS WASTE
 RECYCLING FACILITY NO LATER THAN JANUARY 1, 2019.

3 (B) THE STATE LICENSING AUTHORITY SHALL APPROVE AN 4 APPLICATION FOR REGISTRATION AS A FIBROUS WASTE RECYCLING 5 FACILITY IF THE APPLICANT DEMONSTRATES AND AFFIRMS THAT ITS 6 PROCESSES RENDER THE FIBROUS WASTE UNUSABLE AND 7 UNRECOGNIZABLE AS MEDICAL MARIJUANA AND ONLY USEFUL FOR 8 INDUSTRIAL FIBER PRODUCTS.

9 (C) THE STATE LICENSING AUTHORITY SHALL TAKE ACTION ON ALL
10 APPLICATIONS FOR REGISTRATION AS A FIBROUS WASTE RECYCLING
11 FACILITY WITHIN SIXTY DAYS AFTER RECEIPT OF APPLICATION.

12 (D) NOTHING IN THIS SUBSECTION (1)(b)(III) CAN BE CONSTRUED
13 TO LIMIT MATERIALS THAT CAN BE RECEIVED, PROCESSED, OR SOLD BY A
14 FIBROUS WASTE RECYCLING FACILITY; EXCEPT THAT FIBROUS WASTE MAY
15 NOT BE USED IN THE PRODUCTION OF PRODUCTS OTHER THAN INDUSTRIAL
16 FIBER PRODUCTS.

17 (h) Develop and maintain a seed-to-sale tracking system that 18 tracks medical marijuana from either the seed or immature plant stage 19 until the medical marijuana or medical marijuana-infused product is sold 20 to a customer at a medical marijuana center to ensure that no medical 21 marijuana grown or processed by a medical marijuana establishment is 22 sold or otherwise transferred except by a medical marijuana center; 23 except that the medical marijuana or medical marijuana-infused product 24 is no longer subject to the tracking system once the medical marijuana or 25 medical marijuana-infused product has been:

26 (I) Transferred to a medical research facility pursuant to section
27 25-1.5-106.5 (5)(b); or

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1 (III) CLASSIFIED AS WASTE IN THE INVENTORY TRACKING SYSTEM 2 AND DISPOSED OF IN ACCORDANCE WITH RULES PROMULGATED BY THE 3 STATE LICENSING AUTHORITY, WHICH SHALL INCLUDE THE TRANSFER OF 4 FIBROUS WASTE FROM A MEDICAL MARIJUANA BUSINESS TO A FIBROUS 5 WASTE RECYCLING FACILITY WITHOUT ANY REQUIRED ALTERATION FROM 6 ITS NATURAL STATE. 7 SECTION 3. In Colorado Revised Statutes, 12-43.4-103, add 8 (1.7), (1.8), and (2.7) as follows:

9 12-43.4-103. Definitions. As used in this article 43.4, unless the
10 context otherwise requires:

(1.7) "FIBROUS WASTE" MEANS ANY ROOTS, STALKS, AND STEMS
FROM A RETAIL MARIJUANA PLANT, WHICH SHALL NOT BE CONSIDERED
RETAIL MARIJUANA UPON TRANSFER TO A REGISTERED FIBROUS WASTE
RECYCLING FACILITY.

15 (1.8) "FIBROUS WASTE RECYCLING FACILITY" MEANS A PERSON
16 REGISTERED BY THE STATE LICENSING AUTHORITY THAT IS AUTHORIZED
17 TO RECEIVE FIBROUS WASTE FROM A MEDICAL MARIJUANA BUSINESS OR A
18 RETAIL MARIJUANA ESTABLISHMENT.

19 (2.7) "INDUSTRIAL FIBER PRODUCTS" MEANS INTERMEDIATE OR
20 FINISHED PRODUCTS MADE FROM FIBROUS WASTE THAT ARE NOT INTENDED
21 FOR HUMAN OR ANIMAL CONSUMPTION AND ARE NOT USABLE OR
22 RECOGNIZABLE AS RETAIL MARIJUANA. INDUSTRIAL FIBER PRODUCTS
23 INCLUDE, BUT ARE NOT LIMITED TO, CORDAGE, PAPER, FUEL, TEXTILES,
24 BEDDING, INSULATION, CONSTRUCTION MATERIALS, AND INDUSTRIAL
25 MATERIALS.

26 SECTION 4. In Colorado Revised Statutes, 12-43.4-202, amend
27 (1)(a); and add (1)(c) and (5) as follows:

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1 12-43.4-202. Powers and duties of state licensing authority -2 **rules.** (1) To ensure that no marijuana grown or processed by a retail 3 marijuana establishment is sold or otherwise transferred except by a retail 4 marijuana store or as authorized by law, the state licensing authority shall 5 develop and maintain a seed-to-sale tracking system that tracks retail 6 marijuana from either seed or immature plant stage until the marijuana or 7 retail marijuana product is sold to a customer at a retail marijuana store; 8 except that retail marijuana or retail marijuana product is no longer 9 subject to the tracking system once the retail marijuana has been:

10 (a) Transferred to a medical research facility pursuant to section
11 25-1.5-106.5 (5)(b); or

(c) CLASSIFIED AS WASTE IN THE INVENTORY TRACKING SYSTEM
AND DISPOSED OF IN ACCORDANCE WITH RULES PROMULGATED BY THE
STATE LICENSING AUTHORITY, WHICH SHALL INCLUDE THE TRANSFER OF
FIBROUS WASTE FROM A RETAIL MARIJUANA ESTABLISHMENT TO A
FIBROUS WASTE RECYCLING FACILITY WITHOUT ANY REQUIRED
ALTERATION FROM ITS NATURAL STATE.

18 (5) (a) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING
19 AND REVIEWING APPLICATIONS FROM A PERSON REQUESTING TO BE
20 REGISTERED AS A FIBROUS WASTE RECYCLING FACILITY NO LATER THAN
21 JANUARY 1, 2019.

(b) THE STATE LICENSING AUTHORITY SHALL APPROVE AN
APPLICATION FOR REGISTRATION AS A FIBROUS WASTE RECYCLING
FACILITY IF THE APPLICANT DEMONSTRATES AND AFFIRMS THAT ITS
PROCESSES RENDER THE FIBROUS WASTE UNUSABLE AND
UNRECOGNIZABLE AS RETAIL MARIJUANA AND ONLY USEFUL FOR
INDUSTRIAL FIBER PRODUCTS.

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(c) THE STATE LICENSING AUTHORITY SHALL TAKE ACTION ON ALL
 APPLICATIONS FOR REGISTRATION AS A FIBROUS WASTE RECYCLING
 FACILITY WITHIN SIXTY DAYS AFTER RECEIPT OF APPLICATION.

4 (d) NOTHING IN THIS SUBSECTION (5) CAN BE CONSTRUED TO LIMIT
5 MATERIALS THAT CAN BE RECEIVED, PROCESSED, OR SOLD BY A FIBROUS
6 WASTE RECYCLING FACILITY; EXCEPT THAT FIBROUS WASTE MAY NOT BE
7 USED IN THE PRODUCTION OF PRODUCTS OTHER THAN INDUSTRIAL FIBER
8 PRODUCTS.

9 SECTION 5. In Colorado Revised Statutes, 39-28.8-101, add
10 (3.5) as follows:

39-28.8-101. Definitions. Unless the context otherwise requires,
any terms not defined in this article 28.8 have the meanings set forth in
article 26 of this title 39. As used in this article 28.8, unless the context
otherwise requires:

15 (3.5) "FIBROUS WASTE" MEANS ANY ROOTS, STALKS, AND STEMS
16 FROM A RETAIL MARIJUANA PLANT, WHICH SHALL NOT BE CONSIDERED
17 RETAIL MARIJUANA UPON TRANSFER TO A REGISTERED FIBROUS WASTE
18 RECYCLING FACILITY.

SECTION 6. 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.

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