

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0230.01 Michael Dohr x4347

**HOUSE BILL 13-1238**

---

**HOUSE SPONSORSHIP**

**McCann,**

**SENATE SPONSORSHIP**

**Newell,**

---

**House Committees**

Public Health Care & Human Services  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

101 **CONCERNING FUNDING ISSUES RELATED TO MEDICAL MARIJUANA.**

**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>.)*

The bill transfers \$2.5 million from the medical marijuana program cash fund to the department of human services for marijuana and prescription drug abuse treatment each year for the next 4 years. A portion of that money shall fund prevention programs in the Tony Grampsas youth services program.

The state licensing authority shall collect both the application and licensing fees at the time of application and will refund the licensing fee

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.*

if the applicant is denied a local license or withdraws the application.

The state licensing authority shall post a report on its web site by October 31, 2013, that shows the number of applications received, licenses granted, applications denied, applications withdrawn, and the results of enforcement efforts.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-202, **add** (3)  
3 as follows:

4 **12-43.3-202. Powers and duties of state licensing authority.**

5 (3) BY OCTOBER 31, 2013, THE STATE LICENSING AUTHORITY AND EACH  
6 LOCAL LICENSING AUTHORITY FOR MEDICAL MARIJUANA SHALL PUBLISH  
7 A REPORT ON ITS WEB SITE THAT SHOWS:

8 (a) THE NUMBER OF APPLICATIONS RECEIVED ON OR BEFORE  
9 AUGUST 1, 2010, AND, OF THOSE APPLICATIONS, THE NUMBER OF LICENSES  
10 GRANTED, THE NUMBER OF APPLICATIONS DENIED, THE NUMBER OF  
11 APPLICATIONS PENDING, AND THE NUMBER OF APPLICATIONS WITHDRAWN;  
12 AND

13 (b) THE NUMBER OF APPLICATIONS RECEIVED JULY 1, 2012,  
14 THROUGH SEPTEMBER 30, 2013, AND, OF THOSE APPLICATIONS, THE  
15 NUMBER OF LICENSES GRANTED, THE NUMBER OF APPLICATIONS DENIED,  
16 THE NUMBER OF APPLICATIONS PENDING, AND THE NUMBER OF  
17 APPLICATIONS WITHDRAWN.

18 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-305, **amend**  
19 (2); and **add** (2.5) as follows:

20 **12-43.3-305. State licensing authority - application and**  
21 **issuance procedures.** (2) The state licensing authority shall ~~not~~ issue a  
22 state license TO A MEDICAL MARIJUANA CENTER, AN OPTIONAL PREMISES  
23 CULTIVATION OPERATION, OR A MEDICAL MARIJUANA-INFUSED PRODUCTS

1 MANUFACTURER pursuant to this section until the local licensing authority  
2 has approved the application for a local license and issued a local license  
3 as provided for in sections 12-43.3-301 to 12-43.3-303 UPON COMPLETION  
4 OF THE APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED  
5 WITH THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON  
6 LOCAL LICENSING AUTHORITY APPROVAL. A LICENSE APPLICANT IS  
7 PROHIBITED FROM OPERATING A LICENSED MEDICAL MARIJUANA BUSINESS  
8 WITHOUT BOTH STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF  
9 THE APPLICANT DOES NOT RECEIVE LOCAL LICENSING AUTHORITY  
10 APPROVAL WITHIN ONE YEAR FROM THE DATE OF STATE LICENSING  
11 AUTHORITY APPROVAL, THE STATE LICENSE SHALL EXPIRE AND MAY NOT  
12 BE RENEWED. THE DENIAL OF AN APPLICATION BY THE LOCAL LICENSING  
13 AUTHORITY MAY BE CONSIDERED AS A BASIS FOR THE STATE LICENSING  
14 AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

15 (2.5) AN APPLICANT THAT HAS BEEN PERMITTED TO OPERATE A  
16 MEDICAL MARIJUANA BUSINESS UNDER THE PROVISIONS OF SECTION  
17 12-43.3-103 (1) (b) AND HAS BEEN ISSUED A CONDITIONAL LICENSE BY THE  
18 STATE LICENSING AUTHORITY PURSUANT TO SUBSECTION (2) OF THIS  
19 SECTION MAY CONTINUE TO OPERATE THE BUSINESS WHILE AN  
20 APPLICATION IS PENDING WITH THE LOCAL LICENSING AUTHORITY. IF THE  
21 LOCAL LICENSING AUTHORITY DENIES THE LICENSE APPLICATION, THE  
22 MEDICAL MARIJUANA BUSINESS SHALL CEASE OPERATIONS UPON  
23 RECEIVING THE DENIAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL  
24 LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR FROM THE DATE OF  
25 STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE SHALL  
26 EXPIRE AND SHALL NOT BE RENEWED. THE DENIAL OF AN APPLICATION BY  
27 THE LOCAL LICENSING AUTHORITY MAY BE CONSIDERED AS A BASIS FOR

1 THE STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

2 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-310, **amend**  
3 (2), (3), (4), (6), (9) (b), and (12) as follows:

4 **12-43.3-310. Licensing in general.** (2) A medical marijuana  
5 center, optional premises cultivation operation, or medical  
6 marijuana-infused products manufacturer may not operate until it has  
7 been licensed by ~~the local licensing authority and~~ the state licensing  
8 authority pursuant to this article. ~~IF THE STATE LICENSING AUTHORITY~~  
9 ~~ISSUES THE APPLICANT A STATE LICENSE AND THE LOCAL LICENSING~~  
10 ~~AUTHORITY SUBSEQUENTLY DENIES THE APPLICANT A LICENSE, THE STATE~~  
11 ~~LICENSING AUTHORITY MAY CONSIDER THE LOCAL LICENSING AUTHORITY~~  
12 ~~DENIAL AS A BASIS FOR THE REVOCATION OF THE STATE-ISSUED LICENSE.~~

13 In connection with a license, the applicant shall provide a complete and  
14 accurate list of all owners, officers, and employees who ~~work at~~, manage,  
15 own, or are otherwise SUBSTANTIALLY associated with the operation and  
16 shall provide a complete and accurate application as required by the state  
17 licensing authority.

18 (3) A medical marijuana center, optional premises cultivation  
19 operation, or medical marijuana-infused products manufacturer shall  
20 notify the state licensing authority in writing within ten days after an  
21 owner, officer, ~~MANAGER~~, or employee ceases to work at, manage, own,  
22 or otherwise be associated with the operation. The owner, officer,  
23 ~~MANAGER~~, or employee shall surrender ~~his or her~~ TO THE STATE  
24 LICENSING AUTHORITY ANY identification card ~~to~~ THAT MAY HAVE BEEN  
25 ISSUED BY the state licensing authority on or before the date of the  
26 notification.

27 (4) A medical marijuana center, optional premises cultivation

1 operation, or medical marijuana-infused products manufacturer shall  
2 notify the state licensing authority in writing of the name, address, and  
3 date of birth of an owner, officer, OR manager ~~or employee~~ before the  
4 new owner, officer, MANAGER, or employee, begins ~~working at,~~  
5 managing, owning, or ~~being associated~~ ASSOCIATING with the operation.  
6 The owner, officer, manager or employee shall pass a fingerprint-based  
7 criminal history record check as required by the state licensing authority  
8 and obtain the required identification prior to being associated with,  
9 managing, owning, or working at the operation.

10 (6) All officers AND managers and employees of a medical  
11 marijuana center, optional premises cultivation operation, or medical  
12 marijuana-infused products manufacturer shall be residents of Colorado  
13 upon the date of their license application. An owner shall meet the  
14 residency requirements in section 12-43.3-307 (1) (m). ~~A local licensing~~  
15 ~~authority shall not issue a license provided for in this article until that~~  
16 ~~share of the license application fee due to the state has been received by~~  
17 ~~the department of revenue.~~ All licenses granted pursuant to this article  
18 shall be valid for a period not to exceed two years after the date of  
19 issuance unless revoked or suspended pursuant to this article or the rules  
20 promulgated pursuant to this article.

21 (9) (b) A local licensing authority shall not transfer location of or  
22 renew a license to sell medical marijuana until the applicant for the  
23 license ~~produces~~ PROVIDES VERIFICATION THAT a license WAS issued and  
24 granted by the state licensing authority ~~covering the whole period for~~  
25 ~~which a license or license renewal is sought~~ FOR THE PREVIOUS LICENSE  
26 TERM. THE STATE LICENSING AUTHORITY SHALL NOT TRANSFER LOCATION  
27 OF OR RENEW A STATE LICENSE UNTIL THE APPLICANT PROVIDES

1 VERIFICATION THAT A LICENSE WAS ISSUED AND GRANTED BY THE LOCAL  
2 LICENSING AUTHORITY FOR THE PREVIOUS LICENSE TERM.

3 (12) Each licensee shall manage the licensed premises himself or  
4 herself or employ a separate and distinct manager on the premises and  
5 shall report the name of the manager to the state and local licensing  
6 authorities. The licensee shall report any change in manager to the state  
7 and local licensing authorities ~~thirty days~~ prior to the change pursuant to  
8 ~~section 12-43.3-309~~ SUBSECTION (4) OF THIS SECTION.

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