

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0211.01 Michael Dohr x4347

SENATE BILL 18-021

SENATE SPONSORSHIP

Neville T. and Jahn,

HOUSE SPONSORSHIP

Pabon,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING A CLOSED-LOOP PAYMENT PROCESSING SYSTEM PILOT
102 PROJECT FOR MARIJUANA-RELATED BUSINESSES.

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 creates a closed-loop payment processing system pilot project (pilot project) in the marijuana state licensing authority. The state licensing authority, in consultation with the state treasurer, the department of public health and environment, and the department of regulatory agencies, shall promulgate rules to establish the pilot project. The pilot project shall include marijuana-related businesses and affiliated

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.

1 AND PRIVACY.

2 (d) THE CLOSED-LOOP PAYMENT PROCESSING SYSTEM PILOT
3 PROJECT MUST:

4 (I) INCLUDE BOTH:

5 (A) LICENSED MEDICAL MARIJUANA CENTERS, OPTIONAL PREMISES
6 CULTIVATION OPERATIONS, AND MEDICAL MARIJUANA-INFUSED PRODUCTS
7 MANUFACTURERS LICENSED PURSUANT TO THIS ARTICLE 43.3 AND
8 AFFILIATED BUSINESSES; AND

9 (B) RETAIL MARIJUANA STORES, RETAIL MARIJUANA CULTIVATION
10 FACILITIES, AND RETAIL MARIJUANA PRODUCTS MANUFACTURERS
11 LICENSED PURSUANT TO ARTICLE 43.4 AND AFFILIATED BUSINESSES; AND

12 (II) INCLUDE A MECHANISM THAT ALLOWS BOTH MEDICAL
13 MARIJUANA PATIENTS AND RECREATIONAL MARIJUANA CUSTOMERS TO
14 ENROLL IN THE PILOT PROJECT.

15 (2) IN PROMULGATING THE RULES TO CREATE THE CLOSED-LOOP
16 PAYMENT PROCESSING SYSTEM, THE SYSTEM SHOULD BE DESIGNED TO
17 ENHANCE THE CURRENT MARIJUANA REGULATORY FRAMEWORK AND
18 STRENGTHEN REGULATORY ENFORCEMENT AND:

19 (a) PREVENT REVENUE FROM THE SALE OF MARIJUANA FROM GOING
20 TO CRIMINAL ENTERPRISES, GANGS, AND CARTELS;

21 (b) PREVENT THE DIVERSION OF MARIJUANA FROM A STATE WHERE
22 IT IS LEGAL IN SOME FORM UNDER THAT STATE'S LAW TO ANOTHER STATE;

23 (c) PREVENT THE DISTRIBUTION OF MARIJUANA TO MINORS;

24 (d) PREVENT THE USE OF STATE-AUTHORIZED MARIJUANA
25 ACTIVITY AS A COVER OR PRETEXT FOR THE TRAFFICKING OF OTHER
26 ILLEGAL DRUGS OR FOR OTHER ILLEGAL ACTIVITY; AND

27 (e) ENHANCE THE COLLECTION OF TAXES FOR THE STATE OF

1 COLORADO.

2 (3) THE STATE LICENSING AUTHORITY SHALL SUBMIT A REPORT TO
3 THE GENERAL ASSEMBLY BY DECEMBER 31, 2019, DETAILING THE
4 OPERATION OF THE CLOSED-LOOP PAYMENT PROCESSING SYSTEM PILOT
5 PROJECT AND ITS SUCCESS OR DIFFICULTY IN ACHIEVING THE PURPOSES
6 DESCRIBED IN SUBSECTION (2) OF THIS SECTION.

7 **SECTION 2.** In Colorado Revised Statutes, 38-13-102, **amend**
8 the introductory portion, (3), and (5) as follows:

9 **38-13-102. Definitions and use of terms.** As used in this ~~article~~
10 ARTICLE 13, unless the context otherwise requires:

11 (3) "Banking organization" means a bank, trust company, savings
12 bank, safe deposit company, CLOSED-LOOP PAYMENT PROCESSING SYSTEM
13 CREATED PURSUANT TO SECTION 12-43.3-1201, or private banker or any
14 organization defined by other law as a bank or banking organization.

15 (5) "Financial organization" means a savings and loan association,
16 cooperative bank, building and loan association, CLOSED-LOOP PAYMENT
17 PROCESSING SYSTEM CREATED PURSUANT TO SECTION 12-43.3-1201, or
18 credit union.

19 **SECTION 3. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.