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An Act

SENATE BILL 24-076

BY SENATOR(S) Van Winkle and Gonzales, Buckner, Fields, Hansen, Hinrichsen, Marchman, Priola;
also REPRESENTATIVE(S) Lindstedt, Bacon, Garcia, Hernandez, Herod, Lindsay, Mabrey, Mauro, Ortiz, Snyder, Titone, Valdez, Velasco, Willford.

CONCERNING MEASURES TO ADDRESS EFFICIENCY IN THE REGULATION OF
EXISTING MARIJUANA LICENSEES.

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

SECTION 1. In Colorado Revised Statutes, 44-10-103, **amend** (18); and **add** (16.5) as follows:

44-10-103. Definitions - rules. As used in this article 10, unless the context otherwise requires:

(16.5) (a) "GENETIC MATERIAL" MEANS CANNABIS MATERIAL USED TO PROPAGATE CANNABIS PLANTS.

(b) "GENETIC MATERIAL" INCLUDES:

(I) IMMATURE PLANTS CONTAINING A DELTA-9

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS;

(II) CANNABIS SEEDS;

(III) TISSUE CULTURE; AND

(IV) SMALL AMOUNTS OR FRAGMENTS OF THE CANNABIS PLANT CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY-WEIGHT BASIS.

(18) "Immature plant" means a nonflowering marijuana plant that is no taller than ~~eight~~ FIFTEEN inches and no wider than ~~eight~~ FIFTEEN inches AND is produced from a cutting, clipping, or seedling. ~~and is in a cultivating container.~~

SECTION 2. In Colorado Revised Statutes, 44-10-203, **amend** (1) introductory portion, (2) introductory portion, (2)(d)(III)(A), (2)(d)(III)(B), (2)(e), (2)(t), (2)(dd)(XIV), and (3)(h); and **add** (1)(j.3) as follows:

44-10-203. State licensing authority - rules. (1) **Permissive rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c) may include ~~but need not be limited to~~ the following subjects:

(j.3) THE DOCUMENTATION A NATURAL PERSON APPLYING TO BE A SOCIAL EQUITY LICENSEE MUST PROVIDE AND THE DOCUMENTATION VERIFICATION THE STATE LICENSING AUTHORITY PERFORMS;

(2) **Mandatory rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c) must include ~~but need not be limited to~~ the following subjects:

(d) (III) (A) If test results indicate the presence of ~~quantities of any~~ A substance determined to be injurious to health, the medical marijuana or retail marijuana licensee shall immediately quarantine the products and notify the state licensing authority. The state licensing authority shall give the licensee an opportunity to remediate OR DECONTAMINATE the product if the test indicated the presence of a microbial. If the licensee is unable to remediate OR DECONTAMINATE the product, the licensee shall document and properly destroy the adulterated product. IF THE LICENSEE IS ABLE TO

REMEDiate OR DECONTAMINATE THE PRODUCT AND THE PRODUCT PASSES RETESTING, THE LICENSEE NEED NOT PROVIDE AN ADDITIONAL LABEL THAT WOULD OTHERWISE NOT BE REQUIRED FOR A PRODUCT THAT PASSED INITIAL TESTING.

(B) If retail marijuana or retail marijuana product test results indicate the presence of quantities of ~~any~~ A substance determined to be injurious to health, INCLUDING PESTICIDES, the state licensing authority shall give the licensee an opportunity to retest the retail marijuana or retail marijuana product.

(e) Security requirements for any premises licensed pursuant to this article 10, including, at a minimum, lighting, physical security, video, and alarm requirements, and other minimum procedures for internal control as deemed necessary by the state licensing authority to properly administer and enforce ~~the provisions of~~ this article 10, including BIENNIAL reporting requirements for changes, alterations, or modifications to the premises;

(t) Development of individual identification cards for ~~natural persons who are controlling beneficial owners, and any person operating,~~ INDIVIDUALS working in or having unescorted access to the limited access areas of the licensed premises of a medical marijuana business or retail marijuana business, including a fingerprint-based criminal history record check as may be required by the state licensing authority prior to issuing a card;

(dd) Requirements for medical marijuana and medical marijuana products delivery as described in section 44-10-501 (11) and section 44-10-505 (5) and retail marijuana and retail marijuana products delivery as described in section 44-10-601 (13) and section 44-10-605 (5), including:

(XIV) (A) Requirements for areas where medical marijuana and medical marijuana products or retail marijuana and retail marijuana products orders are stored, weighed, packaged, prepared, and tagged, including requirements that medical marijuana and medical marijuana products or retail marijuana and retail marijuana products cannot be placed into a delivery vehicle until after an order has been placed and that all delivery orders must be packaged on the licensed premises of a medical marijuana store or retail marijuana store or its associated state licensing authority-authorized storage facility as defined by rule after an order has

been received. and

(B) BY JANUARY 1, 2027, THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES THAT DO NOT REQUIRE LICENSEES TO USE RADIO FREQUENCY IDENTIFICATION TECHNOLOGY TO TRACK REGULATED MARIJUANA IN SEED-TO-SALE TRACKING SYSTEM REQUIREMENTS ESTABLISHED BY RULE.

(3) In promulgating rules pursuant to this section, the state licensing authority may seek the assistance of the department of public health and environment when necessary before promulgating rules on the following subjects:

(h) A requirement that every medical marijuana store and retail marijuana store post, at all times and in a prominent place AT EVERY POINT OF SALE, a warning that has a minimum height of three inches and a width of six inches and that reads:

Warning: Using marijuana, in any form, while you are pregnant or breastfeeding passes THC to your baby and may be harmful to your baby. There is no known safe amount of marijuana use during pregnancy or breastfeeding.

SECTION 3. In Colorado Revised Statutes, 44-10-308, **amend** (4); and **add** (6), (7), (8), and (9) as follows:

44-10-308. Business and owner requirements - legislative declaration - definition - rules. (4) (a) Effective January 1, 2021, a NATURAL person who qualifies as a social equity licensee may apply for any regulated marijuana business license or permit, including ~~but not limited to~~ accelerator store, accelerator cultivator, and accelerator manufacturer licenses, issued pursuant to this article 10. A NATURAL person qualifies as a social equity licensee if ~~such~~ THE person meets the following criteria, in addition to any criteria established by rule of the state licensing authority:

~~(a)~~ (I) Is a Colorado resident;

~~(b)~~ (II) Has not been the beneficial owner of a license subject to disciplinary or legal action from the state resulting in the revocation of a license issued pursuant to this article 10;

~~(c)~~ (III) Has demonstrated at least one of the following:

~~(H)~~ (A) The applicant has resided for at least fifteen years between the years 1980 and 2010 in a census tract designated by the office of economic development and international trade as an opportunity zone or designated as a disproportionate impacted area, as defined by rule pursuant to section 44-10-203 (1)(j);

~~(H)~~ (B) The applicant or the applicant's parent, legal guardian, sibling, spouse, child, or minor in their guardianship was arrested for a marijuana offense, convicted of a marijuana offense, or ~~was~~ subject to civil asset forfeiture related to a marijuana investigation; or

~~(H)~~ (C) The applicant's household income in the year prior to application did not exceed an amount determined by rule of the state licensing authority; and

~~(d)~~ (IV) The social equity licensee, or, collectively, one or more social equity licensees, holds at least fifty-one percent of the beneficial ownership of the regulated marijuana business license.

(b) THIS SUBSECTION (4) APPLIES TO A NATURAL PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO SUBMITS AN APPLICATION FOR A FINDING OF SUITABILITY ON OR BEFORE FEBRUARY 1, 2025.

(6) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION, EFFECTIVE FEBRUARY 1, 2025, A NATURAL PERSON THAT QUALIFIES AS A SOCIAL EQUITY LICENSEE MAY APPLY FOR ANY REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT PURSUANT TO THIS ARTICLE 10. A NATURAL PERSON QUALIFIES AS A SOCIAL EQUITY LICENSEE IF, IN ADDITION TO ANY CRITERIA ESTABLISHED BY RULE, THE NATURAL PERSON:

(a) HAS NOT BEEN THE BENEFICIAL OWNER OF A LICENSE SUBJECT TO DISCIPLINARY OR CIVIL ACTION FROM THE STATE LICENSING AUTHORITY RESULTING IN THE REVOCATION OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10;

(b) HAS DEMONSTRATED AT LEAST ONE OF THE FOLLOWING:

(I) THE APPLICANT HAS RESIDED:

(A) FOR AT LEAST ANY FIVE YEARS OF THE THIRTY-YEAR PERIOD PRIOR TO THE APPLICATION AND FOR WHICH DATA IS AVAILABLE, IN A CENSUS TRACT DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS AN OPPORTUNITY ZONE OR DESIGNATED AS A DISPROPORTIONATE IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203 (1)(j);

(B) FOR AT LEAST ANY FIVE OF THE THIRTY YEARS PRIOR TO THE APPLICATION, IN HOUSING WITH FUNDING PROVIDED PURSUANT TO SECTION 8 OR 9 OF THE FEDERAL "UNITED STATES HOUSING ACT OF 1937", 42 U.S.C. SECS. 1437f AND 1437g, AS AMENDED; OR

(C) FOR AT LEAST ANY FIVE YEARS BETWEEN 1980 AND 2021, IN HOUSING WITH FUNDING FROM FEDERAL LOW-INCOME HOUSING TAX CREDITS, COLORADO AFFORDABLE HOUSING TAX CREDITS, OR FUNDING PROVIDED PURSUANT TO ANY FEDERAL, STATE, OR LOCAL PROGRAM THAT RESTRICTS MAXIMUM RENTS FOR NATURAL PERSONS OF LOW OR MODERATE INCOME THAT, AT THE TIME OF RESIDENCE, WAS SUBJECT TO A USE RESTRICTION THAT WAS MONITORED TO ENSURE COMPLIANCE BY THE FEDERAL GOVERNMENT, THE STATE GOVERNMENT, A COUNTY GOVERNMENT, OR A MUNICIPAL GOVERNMENT, OR BY A POLITICAL SUBDIVISION OR DESIGNATED AGENCY OF THE FEDERAL GOVERNMENT, THE STATE GOVERNMENT, A COUNTY GOVERNMENT, OR A MUNICIPAL GOVERNMENT;

(II) THE APPLICANT OR THE APPLICANT'S SPOUSE, PARENT, OR LEGAL GUARDIAN WAS ARRESTED FOR AND CONVICTED OF A MARIJUANA OFFENSE;

(III) THE APPLICANT'S SIBLING OR CHILD OR A MINOR IN THE APPLICANT'S GUARDIANSHIP WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE, AND:

(A) THE APPLICANT'S SIBLING WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE OR CHILD WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE OR A MINOR IN THE APPLICANT'S GUARDIANSHIP WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE RESIDED IN A DISPROPORTIONATE IMPACTED AREA, AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203 (1)(j), FOR FIVE YEARS BETWEEN 1980 AND 2021; OR

(B) THE APPLICANT'S SIBLING WHO WAS ARRESTED FOR OR

CONVICTED OF A MARIJUANA OFFENSE OR CHILD WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE OR A MINOR IN THE APPLICANT'S GUARDIANSHIP WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA OFFENSE AND HAS RECEIVED ASSISTANCE FROM AT LEAST ONE OF THE PROGRAMS LISTED IN SUBSECTION (6)(b)(IV) OF THIS SECTION FOR AT LEAST FIVE YEARS BETWEEN 1980 AND 2021; OR

(IV) THE APPLICANT HAS RECEIVED ASSISTANCE FROM AT LEAST ONE OF THE FOLLOWING PROGRAMS FOR AT LEAST FIVE OF THE TEN YEARS PRIOR TO SUBMITTING AN APPLICATION:

(A) THE LOW-INCOME ENERGY ASSISTANCE PROGRAM CREATED IN ARTICLE 8.7 OF TITLE 40;

(B) THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM DESCRIBED IN PART 3 OF ARTICLE 2 OF TITLE 26;

(C) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, AS DEFINED IN SECTION 26-2-703 (19);

(D) THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN, CREATED PURSUANT TO 42 U.S.C. SEC. 1786; OR

(E) THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5; AND

(c) HOLDS AT LEAST FIFTY-ONE PERCENT OF A BENEFICIAL OWNERSHIP OF A REGULATED MARIJUANA BUSINESS LICENSE ALONE OR COLLECTIVELY WITH AT LEAST ONE OTHER SOCIAL EQUITY LICENSEE.

(7) (a) FOR THE PURPOSES OF SUBSECTION (6) OF THIS SECTION, AN APPLICANT IS NOT ELIGIBLE TO BE A SOCIAL EQUITY LICENSEE IF THE APPLICANT IS A CONTROLLING BENEFICIAL OWNER OF MORE THAN THREE RETAIL MARIJUANA STORE LICENSES, MEDICAL MARIJUANA STORE LICENSES, RETAIL MARIJUANA CULTIVATION FACILITY LICENSES, OR MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, UNLESS THE LISTED LICENSES FOR WHICH THE APPLICANT IS A CONTROLLING BENEFICIAL OWNER ARE EACH A SOCIAL EQUITY LICENSE.

(b) FOR THE PURPOSES OF SUBSECTION (7)(a) OF THIS SECTION,

CO-LOCATED RETAIL MARIJUANA STORE AND MEDICAL MARIJUANA STORE LICENSES, OR CO-LOCATED RETAIL MARIJUANA CULTIVATION FACILITY AND MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, CONSTITUTE ONE LICENSE.

(8) (a) SUBSECTION (6) OF THIS SECTION APPLIES TO A NATURAL PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO SUBMITS AN APPLICATION FOR A FINDING OF SUITABILITY ON OR AFTER FEBRUARY 1, 2025.

(b) SUBSECTION (6) OF THIS SECTION DOES NOT APPLY TO A NATURAL PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO SUBMITS AN APPLICATION FOR A FINDING OF SUITABILITY ON OR BEFORE FEBRUARY 1, 2025.

(9) A NATURAL PERSON WHO MEETS THE CRITERIA IN THIS SECTION FOR A SOCIAL EQUITY LICENSE IS ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE. AN INCENTIVE MAY INCLUDE A REDUCTION IN APPLICATION OR LICENSE FEES. THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO CREATE INCENTIVES.

SECTION 4. In Colorado Revised Statutes, 44-10-313, **amend** (6)(b) as follows:

44-10-313. Licensing in general - rules - repeal. (6) (b) (I) ~~ALL~~ IF ISSUED BY THE STATE LICENSING AUTHORITY, regulated marijuana business licenses and licenses granted to a controlling beneficial owner pursuant to this article 10 are valid for a period of ~~one year~~ TWO YEARS after the date of issuance unless revoked or suspended pursuant to this article 10 or the rules promulgated pursuant to this article 10 OR UNLESS THE LICENSEE ELECTS FOR THE LICENSE TO EXPIRE SOONER THAN TWO YEARS UNDER SECTION 44-10-314 (3). A LOCAL LICENSING AUTHORITY MAY DETERMINE WHETHER EACH TYPE OF LICENSE, INCLUDING AN ASSOCIATED MARIJUANA DELIVERY PERMIT, ISSUED BY THE LOCAL LICENSING AUTHORITY IS VALID FOR ONE OR TWO YEARS.

(II) (A) THIS SUBSECTION (6)(b) APPLIES TO LICENSES ISSUED AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED.

(B) THIS SUBSECTION (6)(b)(II) IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 5. In Colorado Revised Statutes, 44-10-314, **add** (3) as follows:

44-10-314. License renewal - unified renewal applications - rules. (3) ON OR AFTER JANUARY 1, 2026, THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AUTHORIZING MULTIPLE REGULATED MARIJUANA BUSINESS LICENSEES WITH IDENTICAL CONTROLLING BENEFICIAL OWNERS TO SUBMIT A SINGLE INITIAL APPLICATION OR A SINGLE RENEWAL APPLICATION THROUGH A UNIFIED APPLICATION PROCESS. A UNIFIED APPLICATION IS SUBJECT TO A LOWER FEE FOR EACH APPLICATION THAN FOR APPLICATIONS FOR INDIVIDUAL LICENSES.

SECTION 6. In Colorado Revised Statutes, 44-10-501, **amend** (3)(g) and (11)(a)(II) as follows:

44-10-501. Medical marijuana store license. (3) (g) When completing a sale of medical marijuana concentrate, the medical marijuana store shall ~~provide the patient with~~ PHYSICALLY ATTACH TO THE PATIENT'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT PACKAGING the tangible educational resource created by the state licensing authority ~~pursuant to section 44-10-202 (8)~~ regarding the use of medical marijuana concentrate.

(11) (a) (II) A medical marijuana delivery permit is valid for ~~one~~ year TWO YEARS and may be renewed annually upon renewal of the medical marijuana store license.

SECTION 7. In Colorado Revised Statutes, 44-10-502, **amend** (7)(a) introductory portion, (7)(a)(II), (7)(a)(III), (7)(b)(I) introductory portion, (7)(b)(I)(B), (7)(b)(I)(C), and (7)(b)(I)(D); **repeal** (7)(b)(II); and **add** (7)(b)(III), (7)(b)(IV), (7)(b)(V), (7)(c), and (7)(d) as follows:

44-10-502. Medical marijuana cultivation facility license - rules - definitions. (7) (a) In accordance with the rules promulgated by the state licensing authority, a medical marijuana cultivation facility may obtain ~~immature plants, marijuana seeds, and marijuana genetic material as genetic material is defined in rule of the state licensing authority,~~ from:

(II) A MEDICAL OR retail marijuana testing facility;

~~(III) An entity licensed or otherwise approved to operate in another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS CANNABIS; or

~~(b) (I) The state licensing authority shall promulgate rules allowing a regulated marijuana cultivation facility to transfer immature plants, marijuana seeds, and marijuana genetic material, as genetic material is defined in rule of the state licensing authority, from~~ A MEDICAL MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR SHIP GENETIC MATERIAL TO:

(B) A MEDICAL OR retail marijuana testing facility;

~~(C) An entity licensed or otherwise approved to operate in another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS CANNABIS; or

(D) Any other ~~source~~ PERSON permitted by rule of the state licensing authority.

~~(II) The rules promulgated under this subsection (7)(b) must include inventory tracking, reporting, and record-keeping requirements.~~

(III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION, BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

(IV) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY MAY ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF GENETIC MATERIAL.

(V) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO ARE

PRESENT ON THE LICENSED PREMISES.

(c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS SUBSECTION (7) TO SET REQUIREMENTS FOR INVENTORY TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION (7), THE STATE LICENSING AUTHORITY MAY:

(I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY WHEN THE GENETIC MATERIAL IS:

(A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR RETAIL MARIJUANA BUSINESS; OR

(B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA BUSINESSES LICENSED PURSUANT TO THIS ARTICLE 10;

(II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (7)(b)(III) OF THIS SECTION; OR

(III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE LICENSED PREMISES.

(d) THIS SUBSECTION (7) DOES NOT LIMIT THE APPLICABILITY OF ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR ENFORCEMENT BY FEDERAL AGENCIES.

SECTION 8. In Colorado Revised Statutes, 44-10-505, **amend** (5)(a)(II) as follows:

44-10-505. Medical marijuana transporter license - definition.
(5) (a) (II) A medical marijuana delivery permit is valid for ~~one year~~ TWO YEARS and may be renewed ~~annually~~ upon renewal of the medical marijuana transporter license.

SECTION 9. In Colorado Revised Statutes, 44-10-601, **amend** (3)(d), (7)(a), and (13)(a)(II) as follows:

44-10-601. Retail marijuana store license - rules - definitions.

(3) (d) When completing a sale of retail marijuana concentrate, the retail marijuana store shall ~~provide the customer with~~ PHYSICALLY ATTACH TO THE CUSTOMER'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT PACKAGING the tangible educational resource created by the state licensing authority ~~through rule-making pursuant to section 44-10-202(8)~~ regarding the use of medical marijuana concentrate.

(7) (a) A licensed retail marijuana store may only sell retail marijuana, retail marijuana products, marijuana accessories, nonconsumable products such as apparel, ~~and~~ marijuana-related products such as childproof packaging containers, HEMP PRODUCTS, AND FOOD, INCLUDING FOOD THAT IS NOT INFUSED WITH MARIJUANA OR HEMP PRODUCTS OR EXTRACTS, ~~but is prohibited from selling or giving away any consumable product, including but not limited to~~ A LICENSED RETAIL MARIJUANA STORE SHALL NOT GIVE OR SELL AWAY cigarettes or alcohol. ~~or edible product that does not contain marijuana, including but not limited to sodas, candies, or baked goods; except that a retail marijuana store may sell industrial hemp products.~~ THE LICENSED RETAIL MARIJUANA STORE SHALL NOT SELL FOOD IN EXCESS OF TWENTY PERCENT OF THE STORE'S ANNUAL GROSS REVENUES.

(13) (a) (II) A retail marijuana delivery permit is valid for ~~one year~~ TWO YEARS and may be renewed ~~annually~~ upon renewal of the retail marijuana store license or retail marijuana transporter license.

SECTION 10. In Colorado Revised Statutes, 44-10-602, **amend** (12)(a) introductory portion, (12)(a)(II), (12)(a)(III), (12)(b)(I) introductory portion, (12)(b)(I)(B), (12)(b)(I)(C), and (12)(b)(I)(D); **repeal** (12)(b)(II); and **add** (12)(b)(III), (12)(b)(IV), (12)(b)(V), (12)(c), and (12)(d) as follows:

44-10-602. Retail marijuana cultivation facility license - rules - definitions. (12) (a) In accordance with the rules promulgated by the state licensing authority, a retail marijuana cultivation facility may obtain ~~immature plants, marijuana seeds, and marijuana genetic material as genetic material is defined in rule of the state licensing authority,~~ from:

(II) A MEDICAL OR retail marijuana testing facility;

(III) ~~An entity licensed or otherwise approved to operate in another~~

~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS CANNABIS; or

~~(b) (I) The state licensing authority shall promulgate rules allowing a regulated marijuana cultivation facility to transfer immature plants, marijuana seeds, and marijuana genetic material, as genetic material is defined in rule of the state licensing authority, from~~ A RETAIL MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR SHIP GENETIC MATERIAL TO:

(B) A MEDICAL OR retail marijuana testing facility;

~~(C) An entity licensed or otherwise approved to operate in another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS CANNABIS; or

(D) Any other ~~source~~ PERSON permitted by rule of the state licensing authority.

~~(II) The rules promulgated under this subsection (12)(b) must include inventory tracking, reporting, and record-keeping requirements.~~

(III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A RETAIL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION, BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

(IV) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF GENETIC MATERIAL.

(V) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY SHALL NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO ARE PRESENT ON THE LICENSED PREMISES.

(c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO

IMPLEMENT THIS SUBSECTION (12) TO SET REQUIREMENTS FOR INVENTORY TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION (12), THE STATE LICENSING AUTHORITY MAY:

(I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY WHEN THE GENETIC MATERIAL IS:

(A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR RETAIL MARIJUANA BUSINESS; OR

(B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA BUSINESSES LICENSED PURSUANT TO THIS ARTICLE 10;

(II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (12)(b)(III) OF THIS SECTION; OR

(III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE LICENSED PREMISES.

(d) THIS SUBSECTION (12) DOES NOT LIMIT THE APPLICABILITY OF ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR ENFORCEMENT BY FEDERAL AGENCIES.

SECTION 11. In Colorado Revised Statutes, 44-10-605, **amend** (5)(a)(II) as follows:

44-10-605. Retail marijuana transporter license - definition.
(5) (a) (II) A retail marijuana delivery permit is valid for ~~one year~~ TWO YEARS and may be renewed ~~annually~~ upon renewal of the retail marijuana transporter license.

SECTION 12. In Colorado Revised Statutes, 44-10-803, **amend** (2) as follows:

44-10-803. Fees. (2) (a) Except as provided in subsection (1) of this section, THE STATE LICENSING AUTHORITY SHALL NOT SET the INITIAL application fee for a retail marijuana business ~~is~~ TO EXCEED five thousand

dollars. THE STATE LICENSING AUTHORITY SHALL SET THE APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS TO OFFSET THE DIRECT AND INDIRECT COSTS OF REGULATING RETAIL MARIJUANA BUSINESSES. The state licensing authority shall transfer ~~two thousand five hundred dollars~~ HALF of the fee to the marijuana cash fund and remit ~~two thousand five hundred dollars~~ HALF OF THE FEE to the local jurisdiction ~~in which~~ WHERE the license is proposed to be issued. ~~If the state licensing authority is considering raising the five-thousand-dollar application fee, it shall confer with each local jurisdiction in which a license pursuant to this article 10 is issued prior to raising the application fee.~~ If the STATE LICENSING AUTHORITY CHANGES THE application fee amount, ~~is changed,~~ it THE STATE LICENSING AUTHORITY SHALL CONFER WITH THE LOCAL JURISDICTIONS AND THE FEE must be split evenly between the marijuana cash fund and the local jurisdiction ~~in which~~ ~~the~~ WHERE A license is proposed to be issued.

(b) THE STATE LICENSING AUTHORITY MAY ANNUALLY ADJUST FOR INFLATION OR DEFLATION THE LIMIT, ESTABLISHED IN SUBSECTION (2)(a) OF THIS SECTION, ON THE APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS. THE STATE LICENSING AUTHORITY MAY ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD TO THE NEAREST DOLLAR. INFLATION OR DEFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN CONSUMERS.

SECTION 13. In Colorado Revised Statutes, 39-28.8-302, **amend** (1)(a)(I); and **add** (1)(c) as follows:

39-28.8-302. Retail marijuana - excise tax levied at first transfer from retail marijuana cultivation facility - tax rate. (1) (a) (I) Except as otherwise provided in ~~subsection (1)(b)~~ SUBSECTION (1)(b) OR (1)(c) of this section, there is levied and shall be collected, in addition to the sales tax imposed pursuant to part 1 of article 26 of this title 39 and part 2 of this article 28.8, a tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, at a rate of fifteen percent of the average market rate of the unprocessed retail marijuana if the transaction is between affiliated retail marijuana business licensees. Except as otherwise provided in ~~subsection (1)(b)~~ SUBSECTION (1)(b) OR (1)(c) of this section, there is levied and shall be collected, in addition to the sales tax imposed pursuant to part 1 of article 26 of this title 39 and part 2 of this article 28.8,

a tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, at a rate of fifteen percent of the contract price for unprocessed retail marijuana if the transaction is between unaffiliated retail marijuana business licensees. Retail marijuana excise tax shall also be calculated as fifteen percent of the contract price when the first transfer of retail marijuana that has been harvested for sale at a retail marijuana store or extraction by a retail marijuana product manufacturing facility is between unaffiliated retail marijuana cultivation facilities. The tax shall be imposed at the time when the retail marijuana cultivation facility first sells or transfers unprocessed retail marijuana from the retail marijuana cultivation facility to a retail marijuana product manufacturing facility or a retail marijuana store.

(c) THE TRANSFER OF UNPROCESSED RETAIL MARIJUANA EXCLUSIVELY FOR MICROBIAL CONTROL IS DEEMED TO NOT BE THE FIRST TRANSFER OF UNPROCESSED RETAIL MARIJUANA FOR THE PURPOSES OF THIS SECTION.

SECTION 14. In Colorado Revised Statutes, 39-30-103, **amend** (8) as follows:

39-30-103. Zones established - review - termination.

(8) (a) Notwithstanding any other provision to the contrary, for tax years commencing on or after January 1, 2014, only a taxpayer that is engaged in a business that is legal under both state and federal law is eligible to claim a credit pursuant to ~~the provisions of this article~~ ARTICLE 30, EXCEPT AS PROVIDED IN SUBSECTION (8)(b) OF THIS SECTION.

(b) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, A BUSINESS THAT HOLDS A VALID LICENSE PURSUANT TO ARTICLE 10 OF TITLE 44 IS ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS ARTICLE 30.

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

the date of the official declaration of the vote thereon by the governor.

(2) This act applies to acts committed on or after the applicable effective date of this act.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO