

**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**

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**HOUSE SPONSORSHIP**

**McCann,**

**SENATE SPONSORSHIP**

**Newell,**

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**House Committees**

Public Health Care & Human Services  
Appropriations

**Senate Committees**

Finance

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**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 Grampas 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.*

HOUSE  
3rd Reading Unamended  
April 19, 2013

HOUSE  
Amended 2nd Reading  
April 17, 2013

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October 31, 2013, that shows the number of applications received, licenses granted, applications denied, applications withdrawn, and the results of enforcement efforts.

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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 SHALL  
6 PUBLISH A REPORT ON ITS WEB SITE THAT SHOWS:

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10 APPLICATIONS PENDING, AND THE NUMBER OF APPLICATIONS WITHDRAWN;  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

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16 APPLICATIONS WITHDRAWN.

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

19 **12-43.3-305. State licensing authority - application and**  
20 **issuance procedures.** (2) The state licensing authority shall ~~not~~ issue a  
21 state license TO A MEDICAL MARIJUANA CENTER, AN OPTIONAL PREMISES  
22 CULTIVATION OPERATION, OR A MEDICAL MARIJUANA-INFUSED PRODUCTS  
23 MANUFACTURER pursuant to this section ~~until the local licensing authority~~

1 has approved the application for a local license and issued a local license  
2 as provided for in sections 12-43.3-301 to 12-43.3-303 UPON  
3 SATISFACTORY COMPLETION OF THE APPLICABLE CRIMINAL HISTORY  
4 BACKGROUND CHECK ASSOCIATED WITH THE APPLICATION, AND THE STATE  
5 LICENSE IS CONDITIONED UPON LOCAL LICENSING AUTHORITY APPROVAL.  
6 A LICENSE APPLICANT IS PROHIBITED FROM OPERATING A LICENSED  
7 MEDICAL MARIJUANA BUSINESS WITHOUT BOTH STATE AND LOCAL  
8 LICENSING AUTHORITY APPROVAL. THE DENIAL OF AN APPLICATION BY THE  
9 LOCAL LICENSING AUTHORITY SHALL BE CONSIDERED AS A BASIS FOR THE  
10 STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

11 (2.5) AN APPLICANT THAT HAS BEEN PERMITTED TO OPERATE A  
12 MEDICAL MARIJUANA BUSINESS UNDER THE PROVISIONS OF SECTION  
13 12-43.3-103 (1) (b) AND HAS BEEN ISSUED A CONDITIONAL LICENSE BY THE  
14 STATE LICENSING AUTHORITY PURSUANT TO SUBSECTION (2) OF THIS  
15 SECTION MAY CONTINUE TO OPERATE THE BUSINESS WHILE AN  
16 APPLICATION IS PENDING WITH THE LOCAL LICENSING AUTHORITY. IF THE  
17 LOCAL LICENSING AUTHORITY DENIES THE LICENSE APPLICATION, THE  
18 MEDICAL MARIJUANA BUSINESS SHALL CEASE OPERATIONS UPON  
19 RECEIVING THE DENIAL. THE DENIAL OF AN APPLICATION BY THE LOCAL  
20 LICENSING AUTHORITY SHALL BE CONSIDERED AS A BASIS FOR THE STATE  
21 LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

22 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-310, **amend**  
23 (2), (3), (4), (6), (9) (b), and (12) as follows:

24 **12-43.3-310. Licensing in general.** (2) A medical marijuana  
25 center, optional premises cultivation operation, or medical  
26 marijuana-infused products manufacturer may not operate until it has  
27 been licensed by the local licensing authority and the state licensing

1 authority pursuant to this article. IF THE STATE LICENSING AUTHORITY  
2 ISSUES THE APPLICANT A STATE LICENSE AND THE LOCAL LICENSING  
3 AUTHORITY SUBSEQUENTLY DENIES THE APPLICANT A LICENSE, THE STATE  
4 LICENSING AUTHORITY SHALL CONSIDER THE LOCAL LICENSING  
5 AUTHORITY DENIAL AS A BASIS FOR THE REVOCATION OF THE  
6 STATE-ISSUED LICENSE. In connection with a license, the applicant shall  
7 provide a complete and accurate list of all owners, officers, and  
8 employees who ~~work at~~, manage, own, or are otherwise SUBSTANTIALLY  
9 associated with the operation and shall provide a complete and accurate  
10 application as required by the state licensing authority.

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

19 (4) A medical marijuana center, optional premises cultivation  
20 operation, or medical marijuana-infused products manufacturer shall  
21 notify the state licensing authority in writing of the name, address, and  
22 date of birth of an owner, officer, OR manager or ~~employee~~ before the  
23 new owner, officer, or ~~employee~~, MANAGER begins ~~working at~~, managing,  
24 owning, or ~~being associated~~ ASSOCIATING with the operation. The ANY  
25 owner, officer, manager or employee shall pass a fingerprint-based  
26 criminal history record check as required by the state licensing authority  
27 and obtain the required identification prior to being associated with,

1 managing, owning, or working at the operation.

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

13 (9) (b) A local licensing authority shall not transfer location of or  
14 renew a license to sell medical marijuana until the applicant for the  
15 license ~~produces~~ PROVIDES VERIFICATION THAT a license WAS issued and  
16 granted by the state licensing authority ~~covering the whole period for  
17 which a license or license renewal is sought~~ FOR THE PREVIOUS LICENSE  
18 TERM. THE STATE LICENSING AUTHORITY SHALL NOT TRANSFER LOCATION  
19 OF OR RENEW A STATE LICENSE UNTIL THE APPLICANT PROVIDES  
20 VERIFICATION THAT A LICENSE WAS ISSUED AND GRANTED BY THE LOCAL  
21 LICENSING AUTHORITY FOR THE PREVIOUS LICENSE TERM.

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

1            **SECTION 4.** In Colorado Revised Statutes, 12-43.3-301, **amend**  
2            **(3) and (4) as follows:**

3            **12-43.3-301. Local licensing authority - applications - licenses.**

4            **(3) An application for a license specified in subsection (1) of this section**  
5            **shall be filed with the STATE LICENSING AUTHORITY AND THE appropriate**  
6            **local licensing authority on forms provided by the state licensing**  
7            **authority and shall contain such information as the state licensing**  
8            **authority may require and any forms as the local licensing authority may**  
9            **require. Each application shall be verified by the oath or affirmation of**  
10           **the persons prescribed by the state licensing authority.**

11           **(4) An applicant shall file, at the time of application for a local**  
12           **license, plans and specifications for the interior of the building if the**  
13           **building to be occupied is in existence at the time. If the building is not**  
14           **in existence, the applicant shall file a plot plan and a detailed sketch for**  
15           **the interior and submit an architect's drawing of the building to be**  
16           **constructed. In its discretion, the local or state licensing authority may**  
17           **impose additional requirements necessary for the approval of the**  
18           **application.**

19           **SECTION 5.** In Colorado Revised Statutes, 12-43.3-302, **amend**  
20           **(5) as follows:**

21           **12-43.3-302. Public hearing notice - posting and publication.**

22           **(5) (a) A local licensing authority, or a license applicant with local**  
23           **licensing authority approval, may request that the state licensing authority**  
24           **conduct a concurrent review of a new license application prior to the local**  
25           **licensing authority's final approval of the license application. Local**  
26           **licensing authorities who permit a concurrent review will continue to**  
27           **independently review the applicant's license application.**

1           (b) When conducting a concurrent ITS application review, the state  
2           licensing authority may advise the local licensing authority of any items  
3           that it finds that could result in the denial of the license application. Upon  
4           correction of the noted discrepancies, if the correction is permitted by the  
5           state licensing authority, the state licensing authority shall notify the local  
6           licensing authority of its conditional approval of the license application  
7           subject to the final approval by the local licensing authority  
8           AMENDMENTS. The state licensing authority shall then issue the  
9           applicant's state license upon receiving evidence of final approval by the  
10           local licensing authority WHICH SHALL REMAIN CONDITIONED UPON LOCAL  
11           AUTHORITY APPROVAL.

12           (c) All applications submitted for concurrent review shall be  
13           accompanied by all applicable state AND LOCAL license and application  
14           fees. Any applications that are later denied or withdrawn may allow for  
15           a refund of license fees only. All application fees provided by an  
16           applicant shall be retained by the respective licensing authority.

17           **SECTION 6.** In Colorado Revised Statutes, 12-43.3-303, **amend**  
18           (4) and (5) as follows:

19           **12-43.3-303. Results of investigation - decision of authorities.**

20           (4) After approval of an application, a NEITHER THE STATE NOR local  
21           licensing authority shall **not** issue a local license until the building in  
22           which the business to be conducted is ready for occupancy with such  
23           furniture, fixtures, and equipment in place as are necessary to comply  
24           with the applicable provisions of this article, and then only after the  
25           STATE OR local licensing authority has inspected the premises to  
26           determine that the applicant has complied with the architect's drawing and  
27           the plot plan and detailed sketch for the interior of the building submitted

1 with the application.

2 (5) AFTER APPROVAL OF AN APPLICATION FOR CONDITIONAL STATE  
3 LICENSURE, THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL  
4 LICENSING AUTHORITY OF SUCH APPROVAL. After approval of an  
5 application for local licensure, the local licensing authority shall notify  
6 the state licensing authority of such approval, who shall investigate and  
7 either approve or disapprove the application for state licensure.

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