

CHAPTER 398

REVENUE - ACTIVITIES REGULATION

HOUSE BILL 25-1209

BY REPRESENTATIVE(S) Lindstedt and Willford, Bacon, Bird, Clifford, English, Garcia, Gonzalez R., Mabrey, Phillips, Sirota, Valdez, McCluskie, Carter, Feret, Joseph, Lindsay;
also SENATOR(S) Gonzales J. and Rodriguez, Cutter, Exum, Hinrichsen, Jodeh, Kipp, Marchman, Michaelson Jenet, Snyder, Wallace, Coleman.

AN ACT

CONCERNING MEASURES TO ADDRESS EFFICIENCY IN THE REGULATION OF MARIJUANA LICENSEES,
AND, IN CONNECTION THEREWITH, REDUCING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 44-10-103, **add** (52.5) as follows:

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

(52.5) "R-AND-D UNIT" MEANS REGULATED MARIJUANA PROVIDED TO AN OCCUPATIONAL LICENSEE EMPLOYED BY THE LICENSEE PROVIDING THE REGULATED MARIJUANA.

SECTION 2. In Colorado Revised Statutes, 44-10-203, **amend** (1) introductory portion, (1)(c), (1)(j.5), (2) introductory portion, (2)(c), (2)(e), (2)(x), (2)(bb) introductory portion, (2)(dd) introductory portion, (2)(dd)(V), (2)(gg) introductory portion, and (9)(b); **repeal** (2)(t), (2)(bb)(II), (2)(dd)(VI), and (2)(gg)(II); and **add** (1)(l), (1)(m), (2)(kk), and (10) as follows:

44-10-203. State licensing authority - rules. (1) Permissive rule-making. Rules promulgated ADOPTED pursuant to section 44-10-202 (1)(c) may include the following subjects:

(c) Records to be kept by licensees and the required availability of the records.
THE RECORDS REQUIRED TO BE KEPT MAY INCLUDE THE FOLLOWING:

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.

(I) CHILD RESISTANCE CERTIFICATES;

(II) TESTING RECORDS;

(III) CERTIFICATES OF ANALYSIS OR OTHER RECORDS DEMONSTRATING THE COMPOSITION OF RAW INGREDIENTS USED IN VAPORIZERS OR PRESSURED METERED DOSE INHALERS;

(IV) RECALL RECORDS;

(V) ADVERSE HEALTH EVENTS;

(VI) CORRECTIVE ACTION AND PREVENTIVE ACTION RECORDS;

(VII) DOCUMENTATION REQUIRED TO DEMONSTRATE VALID RESPONSIBLE VENDOR DESIGNATION;

(VIII) STANDARD OPERATING PROCEDURES;

(IX) TRANSFER RECORDS TO ACCOUNT FOR REGULATED MARIJUANA TRANSACTIONS;

(X) EXPIRATION DATE TESTING AND USE-BY-DATE TESTING;

(XI) PATIENT RECORDS; AND

(XII) ADVERTISING RECORDS.

(j.5) The implementation of contingency plans pursuant to sections 44-10-502 (10) and 44-10-602 (14), including the definition of outdoor cultivation, adverse weather event, or adverse natural occurrence and the process, procedures, requirements, and restrictions for contingency plans; ~~and~~

(l) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR:

(I) CONTROLLING BENEFICIAL OWNERS;

(II) PASSIVE BENEFICIAL OWNERS; OR

(III) INDIVIDUALS WHO HANDLE OR TRANSPORT REGULATED MARIJUANA ON BEHALF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE 10.

(m) REQUIREMENTS FOR MEDICAL MARIJUANA PRODUCTS MANUFACTURERS OR RETAIL MARIJUANA PRODUCTS MANUFACTURERS TO USE AN APPROVED LICENSED PREMISES AND APPROVED EQUIPMENT TO MANUFACTURE AND PREPARE PRODUCTS NOT INFUSED WITH REGULATED MARIJUANA FOR THE PURPOSE OF QUALITY CONTROL AND RESEARCH AND DEVELOPMENT IN THE FORMULATION OF REGULATED MARIJUANA PRODUCTS.

(2) **Mandatory rule-making.** Rules ~~promulgated~~ ADOPTED pursuant to section 44-10-202 (1)(c) must include the following subjects:

(c) Qualifications for INITIAL licensure pursuant to this article 10, including ~~but not limited to~~ the requirement for a fingerprint-based criminal history record check for all controlling beneficial owners AND passive beneficial owners ~~managers, contractors, employees, and other support staff~~ of entities licensed pursuant to this article 10 AND NAME-BASED JUDICIAL RECORD CHECKS FOR EMPLOYEES OF REGULATED MARIJUANA BUSINESSES;

(e) Security requirements for any premises licensed pursuant to this article 10. ~~including~~ THE SECURITY REQUIREMENTS MUST INCLUDE, 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 this article 10; ~~including~~ PROCEDURES FOR REQUIRING WRITTEN REQUESTS AND PROVIDING LICENSEES AT LEAST SEVENTY-TWO HOURS TO RESPOND TO REQUESTS TO OBTAIN COPIES OF SURVEILLANCE RECORDINGS CREATED AND MAINTAINED BY THE LICENSEE; AND biennial reporting requirements for changes, alterations, or modifications to the premises. SURVEILLANCE REQUIREMENTS FOR VIDEO RECORDING AREAS OF THE LICENSED PREMISES MUST INCLUDE THE FOLLOWING REQUIREMENTS:

(I) EACH POINT OF INGRESS AND EGRESS TO THE EXTERIOR OF THE LICENSED PREMISES MUST BE SURVEILLED;

(II) POINTS OF SALE WITH COVERAGE OF THE CUSTOMER OR PATIENT AND OCCUPATIONAL LICENSEE COMPLETING THE SALE MUST BE SURVEILLED;

(III) AREAS OF THE LICENSED PREMISES WHERE SHIPPING AND RECEIVING OF REGULATED MARIJUANA OCCURS, TEST BATCHES ARE COLLECTED, AND REGULATED MARIJUANA WASTE IS DESTROYED MUST BE SURVEILLED; AND

(IV) DELIVERY VEHICLE SURVEILLANCE;

(t) ~~Development of individual identification cards for 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;~~

(x) The conditions under which a licensee is authorized to transfer fibrous waste to a person for the purpose of producing only industrial fiber products. The conditions must include contract requirements that stipulate that the fibrous waste will only be used to produce industrial fiber products; ~~record-keeping requirements;~~ security measures related to the transport and transfer of fibrous waste; requirements for handling contaminated fibrous waste; and processes associated with handling fibrous waste. The rules must not require licensees to alter fibrous waste from its natural state ~~prior to~~ BEFORE transfer.

(bb) THE conditions under which a licensee is authorized to collect marijuana consumer waste and transfer it to a person for the purposes of reuse or recycling in accordance with all requirements established by the department of public health and environment pertaining to waste disposal and recycling. The conditions must include:

(II) ~~Record-keeping requirements;~~

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

(V) Delivery vehicle requirements; ~~including requirements for surveillance;~~

(VI) ~~Record-keeping requirements;~~

(gg) For marijuana hospitality businesses that are mobile, regulations including: ~~but not limited to:~~

(II) ~~Surveillance cameras inside the vehicles;~~

(kk) R-AND-D UNIT LIMITS AND REQUIREMENT, INCLUDING LIMITS ON THE NUMBER OF OCCUPATIONAL LICENSEES THAT MAY RECEIVE R-AND-D UNITS FROM AN EMPLOYER, A REQUIREMENT THAT AN OCCUPATIONAL LICENSEE BE DESIGNATED TO RECEIVE R-AND-D UNITS IN THE SEED-TO-SALE INVENTORY TRACKING SYSTEM, AND LIMITS ON HOW MANY R-AND-D UNITS MAY BE EVALUATED BY AN OCCUPATIONAL LICENSEE.

(9) (b) (I) The state licensing authority shall base its issuance of an employee license ~~identification card~~ pursuant to this subsection (9) on the results of an initial investigation that demonstrate the applicant is qualified to hold such license. The employee license application for which an employee license ~~identification card~~ was issued pursuant to this subsection (9) remains subject to denial pending the complete results of the applicant's initial ~~fingerprint-based criminal history~~ NAME-BASED JUDICIAL record check.

(II) Results of a ~~fingerprint-based criminal history~~ NAME-BASED JUDICIAL record check that demonstrate that an applicant possessing an employee license ~~identification card~~ pursuant to this subsection (9) is not qualified to hold a license issued under this article 10 are grounds for denial of the employee license application. If the employee license application is denied, the applicant shall return the employee license AND identification card to the state licensing authority within a time period that the state licensing authority establishes by rule.

(10) (a) THE STATE LICENSING AUTHORITY SHALL ADOPT RULES TO ENABLE A LICENSEE TO CONDUCT RESEARCH AND DEVELOPMENT USING R-AND-D UNITS WHEN EVALUATING DIFFERENT FLAVORS AND NONMARIJUANA INGREDIENTS.

(b) ADDING FLAVORS OR NONMARIJUANA INGREDIENTS ARE NOT CONSIDERED AN ADDITIONAL BATCH AND DO NOT REQUIRE ADDITIONAL TESTING IF THE LICENSEE POSSESSES ANALYSIS OR DOCUMENTATION EVIDENCING THE SAFETY PROFILE OF THE FLAVORS OR NONMARIJUANA INGREDIENTS.

(c) A LICENSEE SHALL NOT TRANSFER R-AND-D UNITS TO A REGULATED MARIJUANA STORE.

SECTION 3. In Colorado Revised Statutes, 44-10-307, **amend** (1)(j) and (4)(c); and **repeal** (1)(h) as follows:

44-10-307. Persons prohibited as licensees - definition. (1) A license provided by this article 10 shall not be issued to or held by:

(h) ~~A person who employs another person at a medical marijuana business or retail marijuana business who has not submitted fingerprints for a criminal history record check or whose criminal history record check reveals that the person is ineligible;~~

(j) A person applying for a license for a location that is currently licensed as a retail food establishment, EXCEPT FOR AN APPLICATION FOR A MARIJUANA HOSPITALITY BUSINESS LICENSE ISSUED PURSUANT TO SECTION 44-10-609 OR A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSE ISSUED PURSUANT TO SECTION 44-10-610.

(4) (c) (I) ~~At the time of~~ WHEN filing an application for INITIAL issuance ~~or renewal~~ of a state medical marijuana business license or retail marijuana business license, an applicant shall submit a set of ~~his or her~~ THEIR fingerprints and file personal history information concerning the applicant's qualifications for a state license on forms prepared by the state licensing authority. The state or local licensing authority or local jurisdiction shall submit the fingerprints to the Colorado bureau of investigation for the purpose of conducting fingerprint-based criminal history record checks. The Colorado bureau of investigation shall forward the fingerprints to the federal bureau of investigation for the purpose of conducting fingerprint-based criminal history record checks. When the results of a fingerprint-based criminal history record check reveal a record of arrest without a disposition, the state or local licensing authority or local jurisdiction shall require an applicant or a license holder to submit to a name-based judicial record check, as defined in section 22-2-119.3 (6)(d). The state or local licensing authority or local jurisdiction shall use the information resulting from the fingerprint-based criminal history record check to investigate and determine whether an applicant is qualified to hold a state or local license pursuant to this article 10. The state or local licensing authority or local jurisdiction may verify any of the information an applicant is required to submit.

(II) WHEN RENEWING A STATE MEDICAL MARIJUANA BUSINESS LICENSE OR RETAIL MARIJUANA BUSINESS LICENSE, THE LICENSEE SHALL SUBMIT THEIR NAME FOR A NAME-BASED JUDICIAL RECORD CHECK. THE STATE OR LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION SHALL USE THE INFORMATION RESULTING FROM THE NAME-BASED JUDICIAL RECORD CHECK TO DETERMINE WHETHER A LICENSEE CONTINUES TO BE QUALIFIED TO HOLD A STATE OR LOCAL LICENSE PURSUANT TO THIS ARTICLE 10. THE STATE OR LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION MAY VERIFY ANY OF THE INFORMATION A LICENSEE IS REQUIRED TO SUBMIT TO RENEW THE LICENSE.

SECTION 4. In Colorado Revised Statutes, 44-10-308, **repeal** (3)(a) as follows:

44-10-308. Business and owner requirements - legislative declaration -

definition - rules. (3) (a) ~~All natural persons with day-to-day operational control over the business must be Colorado residents.~~

SECTION 5. In Colorado Revised Statutes, 44-10-313, **amend** (3), (4), (12), and (13)(c)(I)(B) as follows:

44-10-313. Licensing in general - rules - repeal. (3) A medical marijuana business OR RETAIL MARIJUANA BUSINESS that is not a publicly traded corporation shall notify the state licensing authority in writing within ten days after a controlling beneficial owner, passive beneficial owner, or manager ceases to work at, manage, own, or otherwise be associated with the operation. The controlling beneficial owner, passive beneficial owner, or manager shall surrender to the state licensing authority any identification card that may have been issued by the state licensing authority on or before the date of the notification.

(4) A medical marijuana business or retail marijuana business that is not a publicly traded corporation shall notify the state licensing authority in writing of the name, address, and date of birth of a controlling beneficial owner, passive beneficial owner, or manager before the new controlling beneficial owner, passive beneficial owner, or manager begins managing or associating with the operation. ~~Any~~ A controlling beneficial owner OR passive beneficial owner ~~manager, or employee~~ must pass a fingerprint-based criminal history record check as required by the state licensing authority and obtain the required identification ~~prior to~~ BEFORE being associated with ~~managing, OR owning or working at~~ the operation.

(12) Each licensee shall manage the licensed premises ~~himself or herself~~ PERSONALLY or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. ~~The licensee shall report any change in manager to the state and local licensing authorities prior to the change pursuant to subsection (4) of this section.~~

(13)(c)(I) A medical marijuana cultivation facility or retail marijuana cultivation facility that has obtained an approved change of location from the state licensing authority may operate one license at two geographical locations for the purpose of transitioning operations from one location to another if:

(B) The licensed premises of both geographical locations comply with ~~all surveillance,~~ THE security and inventory tracking requirements imposed by this article 10 and any rules ~~promulgated~~ ADOPTED by the state licensing authority;

SECTION 6. In Colorado Revised Statutes, 44-10-314, **amend** (1) and (2) as follows:

44-10-314. License renewal - unified renewal applications - rules. (1) Ninety days ~~prior to~~ BEFORE the expiration date of an existing medical marijuana business or retail marijuana business license, the state licensing authority shall notify the licensee of the expiration date by ~~first-class mail at the licensee's address of record with the state licensing authority~~ DIGITAL COMMUNICATION. A licensee must apply for the renewal of an existing license to the local licensing authority within the time frame required by local ordinance or regulation and to the state licensing authority ~~prior to~~ BEFORE the expiration of the license. The licensee shall provide the state

licensing authority with information establishing that the application complies with all local requirements for the renewal of a license. If a licensee submits a timely and sufficient renewal application, the licensee may continue to operate until the application is finally acted upon by the state licensing authority. The local licensing authority may hold a hearing on the application for renewal of a medical marijuana business license only if the licensee has had complaints filed against it, THE LICENSEE has a history of violations, or there are allegations against the licensee that would constitute good cause. The local licensing authority shall not hold a renewal hearing provided for by this subsection (1) for a medical marijuana store until it has posted a notice of hearing on the licensed medical marijuana store premises in the manner described in section 44-10-303 (2) for a period of ten days and provided notice to the applicant at least ten days ~~prior to~~ BEFORE the hearing. The local licensing authority may refuse to renew any license for good cause, subject to judicial review.

(2) The state licensing authority may require an ~~additional fingerprint request~~ APPLICANT FOR A CONTROLLING BENEFICIAL OWNER LICENSE TO SUBMIT AN ADDITIONAL FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK when there is a demonstrated investigative need.

SECTION 7. In Colorado Revised Statutes, 44-10-401, **amend** (3)(a), (3)(b), and (3)(d) as follows:

44-10-401. Classes of licenses. (3) (a) Prior to accepting a court appointment as a receiver, personal representative, executor, administrator, guardian, conservator, trustee, or any other similarly situated person to take possession of, operate, manage, or control a licensed medical marijuana business OR RETAIL MARIJUANA BUSINESS, the proposed appointee shall certify to the court that the proposed appointee is not prohibited from being issued, PURSUANT TO SECTION 44-10-307(1), a medical marijuana license OR RETAIL MARIJUANA LICENSE. ~~pursuant to section 44-10-307(1):~~ Within the time frame established by rules ~~promulgated~~ ADOPTED by the state licensing authority pursuant to section 44-10-203 (2)(q), an appointee shall notify the state and local licensing authorities of the appointment and shall apply to the state licensing authority for a finding of suitability.

(b) Upon notification of an appointment required by subsection (3)(a) of this section, the state licensing authority shall issue a temporary appointee registration to the appointee effective as of the date of the appointment. Pursuant to sections 24-4-104, 44-10-202 (1)(b), and 44-10-901, the appointee's temporary appointee registration may be suspended, revoked, or subject to other sanction if the state licensing authority finds the appointee to be unsuitable or if the appointee fails to comply with this article 10, the rules ~~promulgated pursuant thereto~~ ADOPTED UNDER THIS ARTICLE 10, or any order of the state licensing authority. If an appointee's temporary appointee registration is suspended or revoked, the appointee shall immediately cease performing all activities for which a license is required by this article 10. For purposes of section 44-10-901 (1), the appointee is deemed an agent of the licensed medical marijuana business OR RETAIL MARIJUANA BUSINESS.

(d) Unless otherwise permitted by this article 10 and rules ~~promulgated pursuant to~~ ADOPTED UNDER this article 10, a person shall not take possession of, operate, manage, or control a medical marijuana business OR RETAIL MARIJUANA BUSINESS

on behalf of another except by court appointment and in accordance with this subsection (3) and rules ~~promulgated pursuant thereto~~ ADOPTED UNDER THIS SUBSECTION (3).

SECTION 8. In Colorado Revised Statutes, 44-10-501, **amend** (3)(e) as follows:

44-10-501. Medical marijuana store license. (3) (e) (I) A medical marijuana store that sells a hemp product shall ensure that the hemp product has passed all testing required by rules ~~promulgated~~ ADOPTED by the state licensing authority pursuant to section 44-10-203 (2)(d). Prior to taking possession of the hemp product, a medical marijuana store shall verify the hemp product passed all testing required for medical marijuana products at a licensed medical marijuana testing facility and that the person transferring the hemp product has received a registration from the department of public health and environment pursuant to section ~~25-5-426~~ 25-5-427.

(II) Absent sampling and testing standards established by the department of public health and environment for the sampling and testing of a hemp product, a person transferring a hemp product to a medical marijuana store pursuant to this section shall comply with sampling and testing standards consistent with those established by the state licensing authority pursuant to this article 10. The state licensing authority shall report to the department of public health and environment any investigations or findings of violations of this section by a person registered pursuant to section ~~25-5-426~~ 25-5-427.

SECTION 9. In Colorado Revised Statutes, 44-10-502, **amend** (5) and (6)(e) as follows:

44-10-502. Medical marijuana cultivation facility license - centralized distribution permit - obtaining genetic material - transfer and change of designation of retail marijuana to medical marijuana - contingency plan - rules - definitions. (5) (a) A medical marijuana cultivation facility licensee may provide ~~a medical marijuana sample and a medical marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. A medical marijuana cultivation facility licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection~~ (5)(a) AN R-AND-D UNIT TO AN OCCUPATIONAL LICENSEE.

(b) Managers who receive a sample pursuant to subsection (5)(a) of this section must have a valid registry identification card issued pursuant to section ~~25-1.5-106~~ (9).

(c) ~~A sample authorized pursuant to subsection (5)(a) of this section is limited to one gram of medical marijuana per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of a medical marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of medical marijuana concentrate if the intended use of the final medical marijuana product is to be used in a device that can deliver medical marijuana concentrate in a vaporized form to the person inhaling from the device.~~

~~(d) A sample authorized pursuant to subsection (5)(a) of this section~~ TO PROVIDE AN R-AND-D UNIT, THE R-AND-D UNIT must be: ~~labeled and packaged pursuant to the rules promulgated pursuant to section 44-10-203 (2)(f) and (3)(b).~~

(I) LABELED WITH THE UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE CONTAINS MARIJUANA, THE LICENSE NUMBER OF THE FACILITY THAT PRODUCED THE R-AND-D UNIT, THE BATCH NUMBER, AND ANY REQUIRED WARNING STATEMENTS;

(II) LABELED TO INDICATE THAT THE R-AND-D UNIT MUST NOT BE SOLD OR RESOLD;

(III) TESTED IN ACCORDANCE WITH THE RULES ADOPTED UNDER SECTION 44-10-203 (2)(d);

(IV) PACKAGED IN A CHILD-RESISTANT CONTAINER;

(V) TRACKED WITH THE SEED-TO-SALE INVENTORY TRACKING SYSTEM; AND

(VI) PROVIDED FOR PRODUCT DEVELOPMENT OR QUALITY CONTROL PURPOSES.

~~(e) A sample provided pursuant to subsection (5)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The medical marijuana cultivation facility licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.~~

~~(f) Prior to a manager receiving a sample pursuant to subsection (5)(a) of this section, a medical marijuana cultivation facility licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.~~

~~(g) A manager shall not:~~

~~(I) Receive more than one ounce total of medical marijuana samples or fifteen grams of medical marijuana concentrate samples per calendar month, regardless of the number of licenses that the manager is associated with; or~~

~~(II) Provide or resell the sample to another licensed employee, a customer, or any other individual.~~

(h) A medical marijuana cultivation facility licensee shall not:

(I) Allow ~~a manager to consume the sample~~ AN R-AND-D UNIT TO BE CONSUMED on the licensed premises; ~~or~~

(II) Use ~~the sample~~ AN R-AND-D UNIT as a means of compensation; ~~to a manager.~~

(III) PROVIDE R-AND-D UNITS IN A MANNER THAT EXCEEDS SALES LIMITATIONS SET FORTH IN SECTION 44-10-501;

(IV) REQUIRE AN EMPLOYEE TO ACCEPT OR CONSUME AN R-AND-D UNIT;

(V) RECEIVE COMPENSATION FOR AN R-AND-D UNIT;

(VI) GIVE AN R-AND-D UNIT TO A PERSON THE DOES NOT HOLD A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9); OR

(VII) PROVIDE R-AND-D UNITS TO AN OCCUPATIONAL LICENSEE FOR MORE THAN TWENTY DAYS IN ANY CALENDAR MONTH.

~~(i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The medical marijuana cultivation facility licensee shall maintain the information required by this subsection (5)(i) on the licensed premises for inspection by the state and local licensing authorities.~~

~~(j) For purposes of this subsection (5) only, "manager" means an employee of the medical marijuana business who holds a valid key license or associated key license, and is currently designated pursuant to state licensing authority rules as the manager of the medical marijuana business.~~

(6) (e) All security ~~and surveillance~~ requirements that apply to a medical marijuana cultivation facility apply to activities conducted pursuant to the privileges of a centralized distribution permit.

SECTION 10. In Colorado Revised Statutes, 44-10-503, **amend** (2), (5)(b), and (10) as follows:

44-10-503. Medical marijuana products manufacturer license - hemp products - R-and-D units - transfer and change of designation of retail marijuana to medical marijuana - rules - definition. (2) Medical marijuana products must be prepared on a licensed premises that is used exclusively for the manufacture and preparation of medical marijuana products and using equipment that is used exclusively for the manufacture and preparation of medical marijuana products UNLESS PERMITTED BY RULE ADOPTED BY THE STATE LICENSING AUTHORITY UNDER SECTION 44-10-203 (1)(m); except that, subject to rules of the state licensing authority, a medical marijuana products manufacturer licensee may share the same premises as a commonly owned marijuana research and development licensee so long as virtual or physical separation of inventory and research activity is maintained.

(5) (b) (I) A medical marijuana products manufacturer that uses a hemp product as an ingredient in a medical marijuana product shall ensure that the hemp product has passed all testing required by rules ~~promulgated~~ ADOPTED by the state licensing authority pursuant to section 44-10-203 (2)(d). Prior to taking possession of the hemp product, a medical marijuana products manufacturer shall verify the hemp product passed all testing required for medical marijuana products at a licensed medical marijuana testing facility and that the person transferring the hemp product

has received a registration from the department of public health and environment pursuant to section ~~25-5-426~~ 25-5-427.

(II) Absent sampling and testing standards established by the department of public health and environment for the sampling and testing of a hemp product, a person transferring a hemp product to a medical marijuana products manufacturer pursuant to this section shall comply with sampling and testing standards consistent with those established by the state licensing authority pursuant to this article 10. The state licensing authority shall report to the department of public health and environment any investigations or findings of violations of this section by a person registered pursuant to section ~~25-5-426~~ 25-5-427.

(10) (a) A medical marijuana products manufacturer licensee may provide a ~~medical marijuana concentrate and a medical marijuana product sample to no more than five managers employed by the licensee for purposes of quality control and product development. A medical marijuana products manufacturer licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection~~ (10)(a) AN R-AND-D UNIT TO AN OCCUPATIONAL LICENSEE.

(b) ~~Managers who receive a sample pursuant to subsection (10)(a) of this section must have a valid registry identification card issued pursuant to section 25-1.5-106 (9).~~

(c) ~~A sample authorized pursuant to subsection (10)(a) of this section is limited to one serving size of edible medical marijuana product and its applicable equivalent serving size of nonedible medical marijuana product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of medical marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of medical marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver medical marijuana concentrate in a vaporized form to the person inhaling from the device.~~

(d) ~~A sample authorized pursuant to subsection (10)(a) of this section To PROVIDE AN R-AND-D UNIT, THE R-AND-D UNIT must be: labeled and packaged pursuant to the rules promulgated pursuant to section 44-10-203 (2)(f) and (3)(b).~~

(I) LABELED WITH THE UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE CONTAINS MARIJUANA, THE LICENSE NUMBER OF THE FACILITY THAT PRODUCED THE R-AND-D UNIT, THE BATCH NUMBER, AND ANY REQUIRED WARNING STATEMENTS;

(II) LABELED TO INDICATE THAT THE R-AND-D UNIT MUST NOT BE SOLD OR RESOLD;

(III) TESTED IN ACCORDANCE WITH THE RULES ADOPTED UNDER SECTION 44-10-203 (2)(d);

(IV) PACKAGED IN A CHILD-RESISTANT CONTAINER;

(V) TRACKED WITH THE SEED-TO-SALE INVENTORY TRACKING SYSTEM; AND

(VI) PROVIDED FOR PRODUCT DEVELOPMENT OR QUALITY CONTROL.

~~(e) A sample provided pursuant to subsection (10)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The medical marijuana products manufacturer licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.~~

~~(f) Prior to a manager receiving a sample pursuant to subsection (10)(a) of this section, a medical marijuana products manufacturer licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.~~

~~(g) A manager shall not:~~

~~(I) Receive more than a total of fifteen grams of medical marijuana concentrate or fourteen individual serving-size edibles or its applicable equivalent in nonedible medical marijuana products per calendar month, regardless of the number of licenses that the manager is associated with; or~~

~~(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.~~

(h) A medical marijuana products manufacturer licensee shall not:

(I) Allow ~~a manager to consume the sample~~ AN R-AND-D UNIT TO BE CONSUMED on the licensed premises; ~~or~~

(II) Use ~~the sample~~ AN R-AND-D UNIT as a means of compensation; ~~to a manager.~~

(III) PROVIDE R-AND-D UNITS IN A MANNER THAT EXCEEDS SALES LIMITATIONS SET FORTH IN SECTION ~~44-10-601~~;

(IV) REQUIRE AN EMPLOYEE TO ACCEPT OR CONSUME AN R-AND-D UNIT;

(V) RECEIVE COMPENSATION FOR AN R-AND-D UNIT;

(VI) GIVE AN R-AND-D UNIT TO A PERSON THAT DOES NOT HOLD A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9); OR

(VII) PROVIDE R-AND-D UNITS TO AN OCCUPATIONAL LICENSEE FOR MORE THAN TWENTY DAYS IN ANY CALENDAR MONTH.

~~(i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The medical marijuana products manufacturer licensee shall maintain the information~~

required by this subsection (10)(i) on the licensed premises for inspection by the state and local licensing authorities:

(j) For purposes of this subsection (10) only, "manager" means an employee of the medical marijuana products manufacturer who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the medical marijuana products manufacturer.

SECTION 11. In Colorado Revised Statutes, 44-10-601, **amend** (3)(c) as follows:

44-10-601. Retail marijuana store license - rules - definitions. (3) (c) (I) A retail marijuana store that sells a hemp product shall ensure that the hemp product has passed all testing required by rules ~~promulgated~~ **ADOPTED** by the state licensing authority pursuant to section 44-10-203 (2)(d). Prior to taking possession of the hemp product, a retail marijuana store shall verify the hemp product passed all testing required for retail marijuana products at a licensed retail marijuana testing facility and that the person transferring the hemp product has received a registration from the department of public health and environment pursuant to section ~~25-5-426~~ 25-5-427.

(II) Absent sampling and testing standards established by the department of public health and environment for the sampling and testing of a hemp product, a person transferring a hemp product to a retail marijuana store pursuant to this section shall comply with sampling and testing standards consistent with those established by the state licensing authority pursuant to this article 10. The state licensing authority shall report to the department of public health and environment any investigations or findings of violations of this section by a person registered pursuant to section ~~25-5-426~~ 25-5-427.

SECTION 12. In Colorado Revised Statutes, 44-10-602, **amend** (6)(a), (6)(d), (6)(h), and (7)(e); **repeal** (6)(c), (6)(e), (6)(f), (6)(g), (6)(i), and (6)(j) as follows:

44-10-602. Retail marijuana cultivation facility license - R-and-D units - centralized distribution permit - genetic material - transfer and change of designation of retail marijuana to medical marijuana - contingency plan - rules - definitions. (6) (a) A retail marijuana cultivation facility licensee may provide a retail marijuana sample and a retail marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. A retail marijuana cultivation facility licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (6)(a) **AN R-AND-D UNIT TO AN OCCUPATIONAL LICENSEE.**

(c) A sample authorized pursuant to subsection (6)(a) of this section is limited to one gram of retail marijuana per batch as defined in rules promulgated by the state licensing authority, and one-quarter gram of a retail marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from the device:

~~(d) A sample authorized pursuant to subsection (6)(a) of this section~~ To PROVIDE AN R-AND-D UNIT, THE R-AND-D UNIT must be: ~~labeled and packaged pursuant to the rules promulgated pursuant to section 44-10-203 (2)(f) and (3)(b).~~

(I) LABELED WITH THE UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE CONTAINS MARIJUANA, THE LICENSE NUMBER OF THE FACILITY THAT PRODUCED THE R-AND-D UNIT, THE BATCH NUMBER, AND ANY REQUIRED WARNING STATEMENTS;

(II) LABELED TO INDICATE THAT THE R-AND-D UNIT MUST NOT BE SOLD OR RESOLD;

(III) TESTED IN ACCORDANCE WITH THE RULES ADOPTED UNDER SECTION 44-10-203 (2)(d);

(IV) PACKAGED IN A CHILD-RESISTANT CONTAINER;

(V) TRACKED WITH THE SEED-TO-SALE INVENTORY TRACKING SYSTEM; AND

(VI) PROVIDED FOR PRODUCT DEVELOPMENT OR QUALITY CONTROL.

~~(e) A sample provided pursuant to subsection (6)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The retail marijuana cultivation facility licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.~~

~~(f) Prior to a manager receiving a sample pursuant to subsection (6)(a) of this section, a retail marijuana cultivation facility licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.~~

~~(g) A manager shall not:~~

~~(I) Receive more than one ounce total of retail marijuana or eight grams of retail marijuana concentrate samples per calendar month, regardless of the number of licenses that the manager is associated with; or~~

~~(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.~~

(h) A retail marijuana cultivation facility licensee shall not:

(I) Allow ~~a manager to consume the sample~~ AN R-AND-D UNIT TO BE CONSUMED on the licensed premises; ~~or~~

(II) Use ~~the sample~~ AN R-AND-D UNIT as a means of compensation; ~~to a manager.~~

(III) PROVIDE R-AND-D UNITS IN A MANNER THAT WOULD VIOLATE SECTION 18-18-406;

(IV) REQUIRE AN EMPLOYEE TO ACCEPT OR CONSUME AN R-AND-D UNIT;

(V) RECEIVE COMPENSATION FOR AN R-AND-D UNIT; OR

(VI) PROVIDE R-AND-D UNITS TO AN OCCUPATIONAL LICENSEE FOR MORE THAN TWENTY DAYS IN ANY CALENDAR MONTH.

(i) ~~The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The retail marijuana cultivation facility licensee shall maintain the information required by this subsection (6)(i) on the licensed premises for inspection by the state and local licensing authorities.~~

(j) ~~For purposes of this subsection (6) only, "manager" means an employee of the retail marijuana cultivation facility who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana cultivation facility.~~

(7)(e) All security ~~and surveillance~~ requirements that apply to a retail marijuana cultivation facility apply to activities conducted pursuant to the privileges of a centralized distribution permit.

SECTION 13. In Colorado Revised Statutes, 44-10-603, **amend** (2) introductory portion, (10), and (11) as follows:

44-10-603. Retail marijuana products manufacturer license - rules - definition. (2) Retail marijuana products must be prepared on a licensed premises that is used exclusively for the manufacture and preparation of retail marijuana or retail marijuana products and using equipment that is used exclusively for the manufacture and preparation of retail marijuana products UNLESS PERMITTED BY RULE ADOPTED BY THE STATE LICENSING AUTHORITY UNDER SECTION 44-10-203 (1)(m); except that, if permitted by the local jurisdiction and subject to rules of the state licensing authority, a retail marijuana products manufacturer licensee may share the same premises as:

(10)(a) A retail marijuana products manufacturer licensee may provide a retail marijuana product sample and a retail marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. A retail marijuana products manufacturer licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (10)(a) AN R-AND-D UNIT TO AN OCCUPATIONAL LICENSEE.

(b) ~~A sample authorized pursuant to subsection (10)(a) of this section is limited to one serving size of an edible retail marijuana product not exceeding ten milligrams of THC and its applicable equivalent serving size of nonedible retail marijuana product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of retail marijuana concentrate per batch as defined~~

~~in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from the device.~~

~~(c) A sample authorized pursuant to subsection (10)(a) of this section To PROVIDE AN R-AND-D UNIT, THE R-AND-D UNIT must be: labeled and packaged pursuant to the rules promulgated pursuant to section 44-10-203 (2)(f) and (3)(b).~~

~~(I) LABELED WITH THE UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE CONTAINS MARIJUANA, THE LICENSE NUMBER OF THE FACILITY THAT PRODUCED THE R-AND-D UNIT, THE BATCH NUMBER, AND ANY REQUIRED WARNING STATEMENTS;~~

~~(II) LABELED TO INDICATE THAT THE R-AND-D UNIT MUST NOT BE SOLD OR RESOLD;~~

~~(III) TESTED IN ACCORDANCE WITH THE RULES ADOPTED UNDER SECTION 44-10-203 (2)(d);~~

~~(IV) PACKAGED IN A CHILD-RESISTANT CONTAINER;~~

~~(V) TRACKED WITH THE SEED-TO-SALE INVENTORY TRACKING SYSTEM; AND~~

~~(VI) PROVIDED FOR PRODUCT DEVELOPMENT OR QUALITY CONTROL.~~

~~(d) A sample provided pursuant to subsection (10)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The retail marijuana products manufacturer licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.~~

~~(e) Prior to a manager receiving a sample pursuant to subsection (10)(a) of this section, a retail marijuana products manufacturer licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.~~

~~(f) A manager shall not:~~

~~(I) Receive more than a total of eight grams of retail marijuana concentrate or fourteen individual serving-size edibles or its applicable equivalent in nonedible retail marijuana products per calendar month, regardless of the number of licenses that the manager is associated with; or~~

~~(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.~~

~~(g) A retail marijuana products manufacturing MANUFACTURER licensee shall not:~~

(I) Allow ~~a manager to consume the sample~~ AN R-AND-D UNIT TO BE CONSUMED on the licensed premises; ~~or~~

(II) Use ~~the sample~~ AN R-AND-D UNIT as a means of compensation; ~~to a manager.~~

(III) PROVIDE R-AND-D UNITS IN A MANNER THAT WOULD VIOLATE SECTION 18-18-406;

(IV) REQUIRE AN EMPLOYEE TO ACCEPT OR CONSUME AN R-AND-D UNIT;

(V) RECEIVE COMPENSATION FOR AN R-AND-D UNIT; OR

(VI) PROVIDE R-AND-D UNITS TO AN OCCUPATIONAL LICENSEE FOR MORE THAN TWENTY DAYS IN ANY CALENDAR MONTH.

(h) ~~The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The retail marijuana products manufacturer licensee shall maintain the information required by this subsection (10)(h) on the licensed premises for inspection by the state and local licensing authorities.~~

(i) ~~For purposes of this subsection (10) only, "manager" means an employee of the retail marijuana products manufacturer who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana products manufacturer.~~

(11)(a) A retail marijuana products manufacturer that uses a hemp product as an ingredient in a retail marijuana product shall ensure that the hemp product has passed all testing required by rules ~~promulgated~~ ADOPTED by the state licensing authority pursuant to section 44-10-203 (2)(d). Prior to taking possession of the hemp product, a retail marijuana products manufacturer shall verify that the hemp product passed all testing required for retail marijuana products at a licensed retail marijuana testing facility and that the person transferring the hemp product has received a registration from the department of public health and environment pursuant to section ~~25-5-426~~ 25-5-427.

(b) Absent sampling and testing standards established by the department of public health and environment for the sampling and testing of a hemp product, a person transferring a hemp product to a retail marijuana products manufacturer pursuant to this section shall comply with sampling and testing standards consistent with those established by the state licensing authority pursuant to this article 10. The state licensing authority shall report to the department of public health and environment any investigations or findings in violation of this section by a person registered pursuant to section ~~25-5-426~~ 25-5-427.

SECTION 14. In Colorado Revised Statutes, 44-10-604, **amend** (1)(a) as follows:

44-10-604. Retail marijuana testing facility license - rules. (1) (a) A retail marijuana testing facility license may be issued to a person who performs testing and research on retail marijuana and industrial hemp as regulated by article 61 of

title 35 and hemp products as regulated by part 4 of article 5 of title 25. The facility may develop and test retail marijuana products, industrial hemp as regulated by article 61 of title 35, and hemp products as regulated by part 4 of article 5 of title 25. Prior to performing testing on industrial hemp, a facility shall verify that the person requesting the testing has received a registration from the commissioner as required by section 35-61-104. Prior to performing testing on hemp products, a facility shall verify that the person requesting the testing has received a registration as required by section ~~25-5-426~~ 25-5-427.

SECTION 15. In Colorado Revised Statutes, 44-10-701, **amend** (2)(d); and **repeal** (2)(b) and (2)(e) as follows:

44-10-701. Unlawful acts - exceptions. (2) It is unlawful for a person to:

~~(b) Have a controlling beneficial ownership, passive beneficial ownership, or indirect financial interest in a license pursuant to this article 10 that was not disclosed in accordance with section 44-10-309; except that this subsection (2)(b) does not apply to banks or savings and loan associations supervised and regulated by an agency of the state or federal government, or to FIAA-approved mortgagees, or to stockholders, directors, or officers thereof;~~

~~(d) Exercise any privilege associated with holding a controlling beneficial ownership, passive beneficial ownership, or indirect financial interest in a license that was not disclosed in accordance with section 44-10-309. or~~

~~(e) Engage in transfer of ownership without prior approval as required by this article 10, including but not limited to:~~

~~(I) A proposed transferee operating a medical marijuana business or retail marijuana business before a transfer of ownership request for that business is approved in writing by the state licensing authority; or~~

~~(II) A current controlling beneficial owner, passive beneficial owner, or proposed transferor failing to retain full responsibility for a medical marijuana business or retail marijuana business identified in the transfer of ownership application until the transfer request is approved in writing by the state licensing authority.~~

SECTION 16. In Colorado Revised Statutes, 44-10-801, **amend** (3)(a) introductory portion, (3)(a)(IV), and (3)(a)(V); and **add** (3)(a)(VI) as follows:

44-10-801. Marijuana cash fund - transfer. (3) (a) The state licensing authority shall establish fees for processing the following types of applications, licenses, notices, REQUESTS, or reports required to be submitted to the state licensing authority:

(IV) License renewal and expired license renewal applications pursuant to section 44-10-314; and

(V) Licenses as listed in section 44-10-401; AND

(VI) REQUESTS FOR COPIES OF A LICENSE APPLICATION SUBMITTED BY THE APPLICANT.

SECTION 17. In Colorado Revised Statutes, 44-10-1001, **add** (4) as follows:

44-10-1001. Inspection procedures. (4) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION:

(a) IF A LICENSEE IS REQUIRED TO MAINTAIN BOOKS AND RECORDS IN THE SEED-TO-SALE INVENTORY TRACKING SYSTEM, THE LICENSEE NEED NOT MAINTAIN DUPLICATE COPIES OF THE BOOKS AND RECORDS; AND

(b) THE STATE LICENSING AUTHORITY MAY REQUIRE THE LICENSEE TO MAINTAIN ADDITIONAL RECORDS BEYOND THOSE REQUIRED BY THIS ARTICLE 10 OR THE RULES ADOPTED UNDER THIS ARTICLE 10 UPON A FINDING OF A VIOLATION BY THE LICENSEE OR BY AN AGENT OR EMPLOYEE OF THE LICENSEE OF THIS ARTICLE 10 OR A RULE ADOPTED UNDER THIS ARTICLE 10.

SECTION 18. In Colorado Revised Statutes, 44-10-1201, **amend** (2) introductory portion as follows:

44-10-1201. Responsible vendor program - standards - designation. (2) An approved training program must contain, at a minimum, the following standards and be taught in a classroom setting ~~in a minimum of a two-hour~~ FOR A MINIMUM TIME PERIOD AS DETERMINED BY RULE:

SECTION 19. In Colorado Revised Statutes, 24-48.5-128, **amend** (4)(b) as follows:

24-48.5-128. Program - marijuana entrepreneurs - social equity licensees - report - marijuana entrepreneur fund - creation - legislative declaration - definitions - repeal. (4) **Funding.** (b) (I) On March 21, 2021, the state treasurer shall transfer four million dollars from the marijuana tax cash fund created in section 39-28.8-501 (1) to the marijuana entrepreneur fund created in subsection (4)(a) of this section. For fiscal years commencing on or after July 1, 2022, the general assembly may appropriate money from the marijuana tax cash fund to the marijuana entrepreneur fund.

(II) (A) ON JULY 1, 2025, AND ON JULY 1, 2026, THE STATE TREASURER SHALL TRANSFER THREE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE MARIJUANA ENTREPRENEUR FUND CREATED IN SUBSECTION (4)(a) OF THIS SECTION.

(B) THIS SUBSECTION (4)(b)(II) IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 20. Appropriation - adjustments to 2025 long bill. (1) Except as provided in subsection (2) of this section, to implement this act, the cash fund appropriation from the marijuana cash fund created in section 44-10-801 (1)(a), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of revenue for use by the marijuana enforcement division for operating expenses is decreased by \$25,883.

(2) Subsection (1) of this section does not require a reduction of an appropriation in the annual general appropriation act for the 2025-26 state fiscal year if:

(a) The amount of the marijuana cash fund appropriation made in the annual general appropriation act for the 2025-26 state fiscal year to the department of revenue for use by the marijuana enforcement division for operating expenses is less than the amount of the adjustment required in subsection (1) of this section; or

(b) The annual general appropriation act for the 2025-26 state fiscal year does not include an appropriation to the department of revenue for use by the marijuana enforcement division for operating expenses.

(3) Except as provided in subsections (4) and (5) of this section, to implement this act, the cash fund appropriation from the Colorado bureau of investigation identification unit fund created in section 24-33.5-426, C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of public safety for use by the biometric identification and records unit is decreased as follows:

(a) \$156,758 for personal services, and the related FTE is decreased by 1.5 FTE; and

(b) \$95,887 for operating expenses related to the biometric identification and records unit.

(4) Subsection (3)(a) of this section does not require a reduction of an appropriation in the annual general appropriation act for the 2025-26 state fiscal year if:

(a) The amount of the Colorado bureau of investigation identification unit fund appropriation made in the annual general appropriation act for the 2025-26 state fiscal year to the department of public safety for use by the biometric identification and records unit for personal services is less than the amount of the adjustment required in subsection (3)(a) of this section; or

(b) The annual general appropriation act for the 2025-26 state fiscal year does not include an appropriation to the department of public safety for use by the biometric identification and records unit for personal services.

(5) Subsection (3)(b) of this section does not require a reduction of an appropriation in the annual general appropriation act for the 2025-26 state fiscal year if:

(a) The amount from the Colorado bureau of investigation identification unit fund appropriation made in the annual general appropriation act for the 2025-26 state fiscal year to the department of public safety for use by the biometric identification and records unit for operating expenses is less than the amount of the adjustment required in subsection (3)(b) of this section; or

(b) The annual general appropriation act for the 2025-26 state fiscal year does not

include an appropriation to the department of public safety for use by the biometric identification and records unit for operating expenses.

SECTION 21. Effective date - applicability. (1) Except as otherwise provided in this section, this act takes effect January 5, 2026, and applies to conduct occurring on or after January 5, 2026.

(2) Sections 19, 21, and 22 of this act take effect upon passage.

(3) Section 20 of this act takes effect only if the annual general appropriation act for the 2025-26 state fiscal year becomes law, in which case, section 20 takes effect January 5, 2026, or on the effective date of the annual general appropriation act for state fiscal year 2025-26, whichever is later.

SECTION 22. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 3, 2025