

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

LLS NO. 17-0803.02 Michael Dohr x4347

**SENATE BILL 17-111**

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**SENATE SPONSORSHIP**

**Neville T.,**

**HOUSE SPONSORSHIP**

**Michaelson Jenet and Gray,**

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**Senate Committees**  
Business, Labor, & Technology  
Finance  
Appropriations

**House Committees**  
Finance  
Appropriations

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**A BILL FOR AN ACT**

101     **CONCERNING MEASURES TO ADDRESS MEDICAL MARIJUANA**  
102     **INVENTORY SHORTFALLS, AND, IN CONNECTION THEREWITH,**  
103     **MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The medical marijuana system is a vertically integrated regulatory scheme, meaning a medical marijuana center must grow the marijuana that it sells. There is one exception to the vertically integrated market: A medical marijuana center can sell to or buy from other medical marijuana licensees up to 30% of its inventory. The bill changes the 30% limit to

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.*

SENATE  
3rd Reading Unamended  
March 23, 2017

SENATE  
Amended 2nd Reading  
March 21, 2017

50%. The bill states that a medical marijuana center may transfer medical marijuana to another medical marijuana licensee if the licensees have a common owner without the medical marijuana counting towards the 50% limit.

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

2           **SECTION 1.** In Colorado Revised Statutes, 12-43.3-402, **amend**  
3       (4) introductory portion as follows:

4           **12-43.3-402.      Medical   marijuana   center   license.**

5       (4) Notwithstanding the requirements of subsection (3) of this section  
6       to the contrary, a medical marijuana licensee may purchase not more than  
7       thirty percent A PERCENTAGE of its total on-hand inventory of medical  
8       marijuana from another licensed medical marijuana center in Colorado.  
9       A medical marijuana center may sell no more than thirty percent A  
10      PERCENTAGE of its total on-hand inventory to another Colorado licensed  
11      medical marijuana licensee. except that: THE STATE LICENSING  
12      AUTHORITY SHALL SET THE PERCENTAGE IN RULE, BUT THE PERCENTAGE  
13      SHALL NOT BE SET ANY LOWER THAN THIRTY PERCENT. The director of the  
14      division that regulates medical marijuana may grant a temporary waiver:

15        [REDACTED]

16           **SECTION 2. Appropriation.** For the 2017-18 state fiscal year,  
17      \$128,428 is appropriated to the department of revenue for Marijuana  
18      Enforcement. This appropriation is from the marijuana cash fund created  
19      in section 12-43.3-501 (1)(a), C.R.S., and is based on an assumption that  
20      the department will require an additional 0.9 FTE.

21           **SECTION 3. Act subject to petition - effective date.** This act  
22      takes effect at 12:01 a.m. on the day following the expiration of the  
23      ninety-day period after final adjournment of the general assembly (August

1       9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
2       referendum petition is filed pursuant to section 1 (3) of article V of the  
3       state constitution against this act or an item, section, or part of this act  
4       within such period, then the act, item, section, or part will not take effect  
5       unless approved by the people at the general election to be held in  
6       November 2018 and, in such case, will take effect on the date of the  
7       official declaration of the vote thereon by the governor.