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HOUSE BILL 18-1280

BY REPRESENTATIVE(S) Melton;
also SENATOR(S) Coram, Jahn, Marble, Neville T., Priola, Scott, Tate.

CONCERNING REGULATORY PROCEDURES RELATED TO THE APPOINTMENT OF
A COURT APPOINTEE FOR A REGULATED MARIJUANA BUSINESS, AND,
IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-401, **add** (1.5) as follows:

12-43.3-401. Classes of licenses. (1.5) (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, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT THAT THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED A MEDICAL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.3-307 (1). WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-202 (2)(a)(XXIII), AN APPOINTEE SHALL NOTIFY THE STATE AND LOCAL LICENSING AUTHORITIES OF THE

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

APPOINTMENT AND SHALL APPLY TO THE STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY.

(b) UPON NOTIFICATION OF AN APPOINTMENT REQUIRED BY SUBSECTION (1.5)(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 12-43.3-202 (1)(a), 12-43.3-601, AND 24-4-104, 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 43.3 OR ARTICLE 43.4 OF THIS TITLE 12, THE RULES PROMULGATED PURSUANT THERETO, 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 43.3. FOR PURPOSES OF SECTION 12-43.3-601(1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED MEDICAL MARIJUANA BUSINESS.

(c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-601 OR 24-4-104 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

(d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.3 AND RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.3, A PERSON SHALL NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A MEDICAL MARIJUANA BUSINESS ON BEHALF OF ANOTHER EXCEPT BY COURT APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND RULES PROMULGATED PURSUANT THERETO.

SECTION 2. In Colorado Revised Statutes, 12-43.3-202, **add** (2)(a)(XXIII) as follows:

12-43.3-202. Powers and duties of state licensing authority - rules. (2) (a) Rules promulgated pursuant to subsection (1)(b) of this section may include, but need not be limited to, the following subjects:

(XXIII) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT

TO SECTION 12-43.3-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND CONDITIONS OF REGISTRATION.

SECTION 3. In Colorado Revised Statutes, 12-43.4-401, **add** (1.5) as follows:

12-43.4-401. Classes of licenses. (1.5) (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 RETAIL MARIJUANA ESTABLISHMENT, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT THAT THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED A RETAIL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.4-306 (1). WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202 (3)(a)(XXI), 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 (1.5)(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 12-43.4-202 (2)(a), 12-43.4-601, AND 24-4-104, 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 43.4 OR ARTICLE 43.3 OF THIS TITLE 12, THE RULES PROMULGATED PURSUANT THERETO, 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 43.4. FOR PURPOSES OF SECTION 12-43.4-601 (1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED RETAIL MARIJUANA ESTABLISHMENT.

(c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-601 OR 24-4-104 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

(d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.4 AND RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.4, A PERSON SHALL NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A RETAIL MARIJUANA ESTABLISHMENT ON BEHALF OF ANOTHER EXCEPT BY COURT APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND RULES PROMULGATED PURSUANT THERETO.

SECTION 4. In Colorado Revised Statutes, 12-43.4-202, **amend** (3)(a)(XIX) and (3)(a)(XX); and **add** (3)(a)(XXI) as follows:

12-43.4-202. Powers and duties of state licensing authority - rules. (3) (a) Rules promulgated pursuant to subsection (2)(b) of this section must include, but need not be limited to, the following subjects:

(XIX) Nonescorted visitors in limited access areas; **and**

(XX) The parameters and qualifications of an indirect beneficial interest owner and a qualified limited passive investor; **AND**

(XXI) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT TO SECTION 12-43.4-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND CONDITIONS OF REGISTRATION.

SECTION 5. Appropriation. (1) For the 2018-19 state fiscal year, \$28,950 is appropriated to the department of revenue. This appropriation is from the marijuana cash fund created in section 12-43.3-501 (1)(a), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$14,032 for tax administration IT system (GenTax) support; **and**

(b) \$14,918 for the purchase of legal services.

(2) For the 2018-19 state fiscal year, \$14,918 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(b) of this section and is based on an assumption that the department of law will require an additional 0.1 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Kevin J. Grantham
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO