

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

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

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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  
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) as follows:

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

5 (4) (a) 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 (a) (I) To a medical marijuana center or applicant if the medical  
16 marijuana center or applicant suffers a catastrophic event related to its  
17 inventory; or

18 (b) (II) To a new medical marijuana center licensee for a period  
19 not to exceed ninety days so the new licensee can cultivate the necessary  
20 medical marijuana to comply with this subsection (4).

21 (b) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF  
22 THIS SECTION TO THE CONTRARY, A MEDICAL MARIJUANA CENTER MAY  
23 TRANSFER MEDICAL MARIJUANA TO ANOTHER MEDICAL MARIJUANA

1 CENTER OR MEDICAL MARIJUANA-INFUSED PRODUCT MANUFACTURER IF  
2 ALL DIRECT BENEFICIAL OWNERS OF THE LICENSED BUSINESSES ARE THE  
3 SAME WITHOUT THE PROVISIONS OF SUBSECTION (4)(a) OF THIS SECTION  
4 APPLYING.

5 **SECTION 2. Appropriation.** For the 2017-18 state fiscal year,  
6 \$128,428 is appropriated to the department of revenue for Marijuana  
7 Enforcement. This appropriation is from the marijuana cash fund created  
8 in section 12-43.3-501 (1)(a), C.R.S., and is based on an assumption that  
9 the department will require an additional 0.9 FTE.

10 **SECTION 3. Act subject to petition - effective date.** This act  
11 takes effect at 12:01 a.m. on the day following the expiration of the  
12 ninety-day period after final adjournment of the general assembly (August  
13 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
14 referendum petition is filed pursuant to section 1 (3) of article V of the  
15 state constitution against this act or an item, section, or part of this act  
16 within such period, then the act, item, section, or part will not take effect  
17 unless approved by the people at the general election to be held in  
18 November 2018 and, in such case, will take effect on the date of the  
19 official declaration of the vote thereon by the governor.