

STATE OF COLORADO

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Colorado Department of Revenue Marijuana Enforcement Division

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Governor

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Emergency Rules

Revised Rules, Medical Marijuana, 1 CCR 212-1

Rule M 103 – Definitions

Rule M 201 – Application Process

Rule M 210 – Schedule of Other Application Fees: All Licensees

Rule M 304.1 – Medical Marijuana Business and Retail Marijuana Establishment – Shared Licensed Premises and Operational Separation

Rule M 501 – Medical Marijuana Optional Premises Cultivation Operation: License Privileges

Rule M 503 – Medical Marijuana Optional Premises Cultivation Operation: Inventory Tracking System

Rule M 506 – Optional Premises Cultivation Operation: Medical Marijuana Concentrate Production

Rule M 601 – Medical Marijuana-Infused Products Manufacturer: License Privileges

Rule M 1307 - Penalties

Rule M 1702 – Medical Marijuana Business Operators: General Limitation or Prohibited Acts

Rule M 1901 – Licensed Research Businesses: License Privileges

Rule M 1902 – Licensed Research Businesses: General Limitations or Prohibited Acts

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Rule M 1905 – Licensed Research Businesses: Authorized Research Activities

New Rules, Medical Marijuana, 1 CCR 212-1

Rule M 253 – Temporary Appointee Registrations for Court Appointees

Revised Rules, Retail Marijuana, 1 CCR 212-2

Rule R 103 – Definitions

Rule R 201 – Application Process

Rule R 210 – Schedule of Other Application Fees: All Licenses

Rule R 304.1 – Medical Marijuana Business and Retail Marijuana Establishment- Shared Licensed Premises and Operational Separation

Rule R 501 – Retail Marijuana Cultivation Facility: License Privileges

Rule R 503 – Retail Marijuana Cultivation Facility: Inventory Tracking System

Rule R 505 – Retail Marijuana Cultivation Facilities: Retail Marijuana Concentrate Production

Rule R 601 – Retail Marijuana Products Manufacturing Facilities: License Privileges

Rule R 1307 - Penalties

Rule R 1702 – Retail Marijuana Business Operators: General Limitations or Prohibited Acts

New Rules, Retail Marijuana, 1 CCR 212-2

Rule R 253 – Temporary Appointee Registrations for Court Appointees

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103, 44-11-202, and 44-12-202, C.R.S, I, Michael S. Hartman, Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt the aforementioned revised Medical Marijuana and Retail Marijuana Rules, which are attached hereto.

Section 24-4-103(6), C.R.S., authorizes the State Licensing Authority to issue an emergency rule if the State Licensing Authority finds that the immediate adoption of the rule is imperatively necessary to comply with a state law or for the preservation of public health, safety, or welfare and compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

I find: (1) the immediate adoption of these revised rules is necessary to comply with the statutory mandates of the Medical Marijuana Code, sections 44-11-101 to -1102, C.R.S., and Retail Marijuana Code, sections 44-12-101 to -1101, C.R.S.; (2) the immediate adoption of these revised rules is necessary to preserve the public health, safety, and welfare; and (3) compliance with the notice and public hearing requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

Statutory Authority

The statutory authority for the attached revised and new Medical Marijuana Rules is identified in the statement of basis and purpose preceding each rule, and includes subsections 44-11-202(1)(b)(I), 44-11-202(1)(a), 44-11-202(1)(e), 44-11-202(2)(a)(X), 44-11-202(2)(a)(XVI), 44-11-202(2)(a)(XX), 44-11-202(2)(a)(XXII), 44-11-202(2)(a)(XXIII), 44-11-401(1.5), 44-11-403(4), and 44-11-404(2), C.R.S., and sections 44-11-104, 44-11-201, 44-11-310, 44-11-311, 44-11-501, and 44-11-502, C.R.S.

The statutory authority for the attached revised and new Retail Marijuana Rules is identified in the statement of basis and purpose preceding each rule, and includes subsections 44-12-202(2)(a), 44-12-202(2)(e), 44-12-202(3)(a)(II), 44-12-202(3)(a)(XIX), 44-12-202(3)(a)(XX), 44-12-202(3)(a)(XXI), 44-12-202(3)(b)(VIII), 44-12-202(3)(b)(IX); 44-12-304(1), 44-12-401(1.5), 44-12-

403(7), 44-12-404(1)(b), and 44-12-404(2), C.R.S., and sections 44-12-103, 44-12-104, 44-12-201, 44-12-309, 44-12-310, 44-11-501, and 44-11-502, C.R.S.; and Colorado Constitution Article XVIII, Subsection 16(5)(a)(II).

Purpose

The purpose of the revisions to these rules on an emergency basis is as follows:

The State Licensing Authority adopted Emergency Medical Rules M 103, 201, 210, 253, 304.1, 501, 503, 506, 601, 1307, 1702, 1901, 1902, 1903, and 1905, 1 CCR 212-1, and Retail Rules R 103, 201, 210, 253, 304.1, 501, 503, 505, 601, 1307, and 1702, 1 CCR 212-2, on June 18, 2018 (“June Emergency Rules”). The purpose of the June Emergency Rules was to establish requirements and procedures to implement House Bill 18-1280, House Bill 18-1389, and Senate Bill 18-271. There was not enough time to undergo a permanent rulemaking process for the June Emergency Rules because House Bill 18-1280, House Bill 18-1389, and Senate Bill 18-271 became effective immediately upon the Governor’s signature pursuant to a safety clause.

The State Licensing Authority filed a permanent rulemaking notice for all of the aforementioned rules, as well as other rules on September 25, 2018, with an expected effective date of January 1, 2019. The permanent rulemaking process will include the opportunity for substantial stakeholder and public participation. The re-adoption of Emergency Medical Rules M 103, 201, 210, 253, 304.1, 501, 503, 506, 601, 1307, 1702, 1901, 1902, 1903, and 1905, 1 CCR 212-1, and Retail Rules R 103, 201, 210, 253, 304.1, 501, 503, 505, 601, 1307, and 1702, 1 CCR 212-2, is necessary on an emergency basis because the June Emergency rules will expire on October 16, 2018, before the conclusion of permanent rulemaking proceedings and the expected effective date of the permanent rules. Therefore, re-adoption of these rules is necessary to continue compliance with the requirements of House Bill 18-1280, House Bill 18-1389, and Senate Bill 18-271.

House Bill 18-1280

House Bill 1280 requires persons appointed by a court to take possession of, operate, manage, or control a Medical Marijuana Business or Retail Marijuana Establishment to notify the State Licensing Authority and apply for a finding of suitability. Further, it requires the State Licensing Authority, upon notification of such court appointments, to issue a temporary registration to the court appointee. The amended M and R 100, 200, and 1700 Series Rules establish definitions, fees, procedures, and temporary registration requirements for persons authorized by court order to take possession of, operate, manage, or control a Medical Marijuana Business or Retail Marijuana Establishment.

House Bill 18-1389

House Bill 1389 establishes a centralized distribution permit to be issued to Medical Marijuana Optional Premises Cultivation Operations (“Medical Cultivation”) and Retail Marijuana Cultivation Facilities (“Retail Cultivation”), authorizing temporary storage of medical and retail marijuana, concentrate, and product, for the purpose of transfer to the permit holder’s commonly-owned Medical Marijuana Centers and Retail Marijuana Stores. The amended M and R 100 and 500 Series Rules establish definitions, fees, requirements, and procedures for Medical Cultivations and Retail Cultivations applying for and issued a Centralized Distribution Permit.

Senate Bill 18-271

Senate Bill 271 authorizes Marijuana Research and Development Facility and Marijuana Research and Development Cultivation (“Licensed Research Businesses”) to share licensed premises with a Medical Marijuana-Infused Products Manufacturer and Retail Marijuana Products Manufacturing Facility. Under prior law, such co-location was restricted, as medical and retail marijuana products could only be prepared on a licensed premises used exclusively for the manufacture and preparation of medical and retail products and using equipment exclusively for the manufacture and preparation of such products. As a result, research activities of a Licensed Research Business could not occur at the same premises of a medical or retail manufacturing licensee, and the rules had not to date set forth the process for a Licensed Research Business to share a licensed premises with other types of Medical Marijuana Businesses and Retail Marijuana Establishments. The amended M and R 100 200, 300, 600, and 1300 Series Rules, and amended M 1900 Series Rules, establish fees, requirements, and procedures for Licensed Research Businesses sharing a licensed premises with another Medical Marijuana Business or a Retail Marijuana Establishment.

Further, Senate Bill 271 authorizes the State Licensing Authority to establish requirements for transfer of marijuana by Licensed Research Businesses. The amended M 1900 Series Rules permit the transfer of Immature Plants to other Medical Marijuana Businesses, so long as the plants have not been exposed to prohibited chemicals.

Effective Date of Emergency Rules and Permanent Rulemaking

The attached emergency rules are effectively immediately upon adoption. Medical Rule M 253 and Retail Rule R 253 are hereby adopted, and the prior versions of Medical Rules M 103, 201, 210, 304.1, 501, 503, 506, 601, 1307, 1702, 1901, 1902, 1903, and 1905, 1 CCR 212-1, and Retail Rules R 103, 201, 210, 304.1, 501, 503, 505, 601, 1307, and 1702, 1 CCR 212-2, are hereby amended by the emergency rules attached hereto. The attached emergency rules remain in effect until their expiration date, 120 from the date of adoption, or until replaced by rules promulgated pursuant to the permanent rulemaking process.



Michael S. Hartman
Executive Director
Colorado Department of Revenue
State Licensing Authority

10/15/18

Date