



COLORADO
Department of Revenue

**COLORADO DEPARTMENT OF REVENUE
MARIJUANA ENFORCEMENT DIVISION**

Emergency Rule Adoption

Amended Rules, 1 CCR 212-3

Rule 1-105 – Engaging in Business

Rule 2-205 – Fees

Rule 2-225 – Renewal Application Requirements

Rule 2-260 – Changing, Altering, or Modifying Licensed Premises

Rule 2-265 – Owner Employee License: License Requirements, Applications, Qualifications, and Privileges

Rule 3-345 – Emergency Allowances, Restrictions, and Requirements in Response to COVID-19

Rule 3-605 – All Regulated Marijuana Businesses

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103 and 44-10-203, C.R.S., I, Heidi Humphreys, Deputy Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt the Colorado 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 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 constitutional and statutory mandates of the Colorado Marijuana Code, sections 44-10-101 *et seq.*, 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 rules is identified in the statement of basis and purpose preceding each rule. Statutory authority for these rules includes but is not limited to section 44-10-203(1)(f), 44-10-203(1)(j), 44-10-203(2)(a), 44-10-203(2)(c), 44-10-203(2)(e), 44-10-203(2)(h), 44-10-203(2)(i), 44-10-203(2)(w), C.R.S.

Purpose

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

Emergency Rules in Response to COVID-19

- On March 11, 2020, the Governor issued [Executive Order D 2020 003](#) “Declaring a Disaster Emergency Due to the Presence of Coronavirus Disease 2019 in Colorado.” Executive Order D 2020 018, signed on March 26, 2020, [Executive Order D 2020 032](#), signed on April 8, 2020, [Executive Order D 2020 058](#), signed on May 7, 2020, and [Executive Order D 2020 076](#), signed on May 22, 2020, amended and extended Executive Order D 2020 003.

- On March 20, 2020 the Governor Issued [Executive Order D 2020 011](#) “Ordering the Temporary Suspension of Certain Regulatory Statutes Due to the Presence of COVID-19” suspending section 44-10-601(7) prohibiting Retail Marijuana Stores from conducting online sales. [Executive Order D 2020 029](#), signed on April 6, 2020, [Executive Order D 2020 052](#), signed on April 30, 2020, and [Executive Order D 2020 084](#), signed on May 29, 2020, amended and extended Executive Order D 2020 011.
- On March 25, 2020, the Governor issued [Executive Order D 2020 015](#) “Authorizing the Executive Directors of Certain State Agencies to Promulgate and Issue Emergency Rules Extending the Expiration Date of Licenses and Other Documents Due to the Presence of COVID-19” providing a thirty-day extension for Regulated Marijuana Business licenses expiring between March 25 and April 25, 2020. [Executive Order D 2020 042](#), signed on April 23, 2020, amended and extended Executive Order 2020 015, providing a second thirty-day extension for licenses expiring between April 23, 2020 and May 23, 2020. On May 22, 2020, the governor issued [Executive Order D 2020 075](#) which amended and extended Executive Order D 2020 015 and Executive Order D 2020 042, providing a third thirty-day extension.

The Emergency Rules seek to limit exposure to and mitigate harm caused by COVID-19, by allowing Regulated Marijuana Businesses to implement “social distancing” and related measures consistent with guidance from the Centers for Disease Control and Colorado Department of Public Health and Environment and by allowing a thirty-day extension for the renewal of licenses. For the reasons described above, the State Licensing Authority adopted the Emergency Rules, 1 CCR 212-3, on **June 5, 2020**.

While these Emergency Rules provide another thirty-day extension for Regulated Marijuana Business Licensees and Owner Licensees to submit their renewals, **Licensees subject to this extension are still encouraged to file their renewals as soon as possible to ensure timely submission and to minimize application processing delays.** Please visit the [Marijuana Enforcement Division’s website](#) for guidance regarding renewal application submission options. Further, please be advised that **although the deadline to file a renewal application may have been extended by Emergency Rules, the renewed license will still expire one year from the original expiration date, not one year from the renewal date.**

Emergency Rules Regarding Reinstatement of Regulated Marijuana Business Licenses

In addition to the Emergency Rules that seek to limit exposure and mitigate harm caused by COVID-19, these rules further extend emergency rules enacted on February 7, 2020 (SOS 2020-0062) which provided for the reinstatement of an expired Regulated Marijuana Business license in certain circumstances. Under previous law, statute¹ provided licensees a 90-day period following the expiration of a license within which to submit a renewal application; however, Senate Bill 19-224 amended this provision to eliminate this 90-day period. Therefore, the statute now provides any license which is not renewed **prior** to the expiration date, is immediately invalid.

During and following the Marijuana Enforcement Division’s 2019 permanent rulemaking session, the Division took steps to alert Licensees of this upcoming change and restriction on licensees’ ability to operate following the expiration of a license. However, neither the Division nor the regulated marijuana industry identified how the change in law would impact Retail Marijuana Business licenses in a disparate manner compared to Medical Marijuana Business licenses, and the related public health, safety, and welfare concerns. Further, the emergency rules adopted under SOS 2020-0062 will expire pursuant to the state Administrative Procedure Act on June 6, 2020. In anticipation of adopting the emergency reinstatement rule permanently through the Division’s permanent rulemaking process, the Emergency Rules re-adopt those provisions to provide consistency for licensees between June and the effective date of permanent rules.

¹ SB 19-224 repealed the previous Medical Marijuana Code, sections 44-11-101 *et seq.*, C.R.S., and Retail Marijuana Code, sections 44-12-101 *et seq.*, C.R.S., and replaced them with the Colorado Marijuana Code. The license renewal statutory provisions in both the Medical Marijuana Code and the Retail Marijuana Code was substantively the same, each allowing for the 90-day grace period within which a Regulated Marijuana Business could submit a renewal application.

Effective Date of Emergency Rules and Permanent Rulemaking

The attached Emergency Rules are effective immediately upon adoption.

Unless otherwise noted in the Emergency Rule provision, the attached Emergency Rules remain in effect pursuant to section 24-4-103(6), C.R.S., of the state Administrative Procedure Act, for 120 days from the date of adoption, or until repealed by the State Licensing Authority upon filing of a notice of such with the Secretary of State.

The State Licensing Authority will monitor national and statewide updates to evaluate whether additional public health guidance or directives requires the re-adoption of the aforementioned Emergency Rules and/or the initiation of permanent rulemaking proceedings for such rules.



Heidi Humphreys (Jun 5, 2020 09:48 MDT)

Heidi Humphreys
Deputy Executive Director/Chief Operating Officer
Colorado Department of Revenue
State Licensing Authority

06/05/20

Date