

**DEPARTMENT OF REVENUE
MARIJUANA ENFORCEMENT DIVISION
COLORADO MARIJUANA RULES
1 CCR 212-3**

Part 1 – General Applicability

Basis and Purpose – 1-105

The statutory authority for this rule includes but is not limited to sections 44-10-102(3), 44-10-202(1)(c), and 44-10-701(2)(a), C.R.S. Unless such activity is authorized by the Colorado Constitution, article XVIII, Section 14 or Section 16, the Colorado Marijuana Code, section 25-1.5-106.5, C.R.S., or these rules, any Person who buys, Transfers, or acquires Regulated Marijuana outside the requirements of the Colorado Marijuana Code is engaging in illegal activity pursuant to Colorado law. This rule clarifies that those engaged in the business of possessing, cultivating, dispensing, Transferring, transporting, or testing Medical Marijuana or Retail Marijuana must be properly licensed to be in compliance with Colorado law. This rule also clarifies requirements for licensees to comply with public health and executive orders. This Rule 1-105 was previously Rules M and R 101, 1 CCR 212-1 and 1 CCR 212-2.

1-105 – Engaging in Business

A. License Required to Engage in Business. Except as authorized by the Colorado Constitution, article XVIII, sections 14 or 16, the Colorado Marijuana Code, or section 25-1.5-106.5, C.R.S., no person shall possess, cultivate, dispense, Transfer, transport, offer to sell, manufacture, or test Regulated Marijuana unless said person is duly licensed by the State Licensing Authority and approved by the relevant Local Jurisdiction(s) and/or licensed by the relevant Local Licensing Authority(-ies).

B. Public Health Orders and Executive Orders.

1. All Licensees, their agents, and their employees shall comply with any applicable public health orders issued by any agency of the State of Colorado including, but not limited to the Colorado Department of Public Health and Environment related to businesses that cultivate, manufacture, distribute, sell, or test Regulated Marijuana and Regulated Marijuana Products.
2. All Licensees, their agents, and their employees, shall comply with any and all executive orders issued by the Governor pursuant to the Governor's disaster emergency powers under section 24-33.5-704, C.R.S., relating to businesses that cultivate, manufacture, distribute, sell, or test Regulated Marijuana and Regulated Marijuana Products.
3. A violation of this Rule by a Licensee, or by any of the agents or employees of a Licensee, is a license violation affecting public safety, which may result in disciplinary action, up to and including license revocation, pursuant to section 44-10-901(1), C.R.S., and these Rules may also result in a summary suspension of a license pursuant to section 44-10-901(2), C.R.S., and these Rules.

Part 2 – Applications and Licenses

2-200 Series – Applications and Licenses Rules

Basis and Purpose – 2-205

The statutory basis for this rule includes but is not limited to sections 44-10-103, 44-10-202(1)(b), 44-10-202(1)(c), 44-10-202(1)(e), 44-10-203(1)(j), 44-10-203(1)(i), 44-10-203(2)(b), 44-10-203(2)(h), 44-10-203(2)(q), 44-10-203(2)(w), 44-10-203(2)(dd)(XII), 44-10-303(2)(b), 44-10-310(7), 44-10-313, 44-10-401, 44-10-801, 44-10-802, 44-10-803, 44-10-1201, 44-10-1202, C.R.S. Authority also exists in the Colorado Constitution at Article XVIII, Subsection 16(5)(a)(II). The purpose of this rule is to establish fees required for applications, renewals, licenses fees, permits, and other fees required to accompany applications and submissions to the Division. The Division anticipates evaluating all fees in connection with a fee analysis. Any recommendations from the fee analysis will be considered during subsequent rulemaking proceedings. This Rule 2-205 was previously Rules M 207, 208, 209, 210, 235, and 236, 1 CCR 212-1, and Rules R 207, 208, 209, 210, 234, and 235, 1 CCR 212-2.

2-205 – Fees

A. Regulated Marijuana Business Initial Application and License Fees.

1. Medical Marijuana Businesses.

<u>License Type</u>	<u>Application Fee</u>	<u>License Fee</u>	<u>Total Due at Application</u>
<u>Medical Marijuana Store</u>	\$5,000.00	\$2,000.00	\$7,000.00
<u>Medical Marijuana Products Manufacturer</u>	\$1,000.00	\$1,500.00	\$2,500.00
<u>Medical Marijuana Cultivation Facility</u> Class 1 (1-500 plants)	\$1,000.00	\$1,500.00	\$2,500.00
<u>Medical Marijuana Testing Facility</u>	\$1,000.00	\$1,500.00	\$2,500.00
<u>Medical Marijuana Transporter</u>	\$1,000.00	\$4,400.00	\$5,400.00
<u>Medical Marijuana Business Operator</u>	\$1,000.00	\$2,200.00	\$3,200.00
<u>Marijuana Research and Development Facility</u>	\$1,000.00	\$1,500.00	\$2,500.00

2. Retail Marijuana Businesses.

<u>License Type</u>	<u>Application Fee</u>	<u>License Fee</u>	<u>Total Due at Application</u>
<u>Retail Marijuana Store</u>	\$5,000.00	\$2,000.00	Separate Checks \$4,500.00 State \$2,500.00 Local

<u>Retail Marijuana Products Manufacturer</u>	\$5,000.00	\$1,500.00	Separate Checks \$4,000.00 State \$2,500.00 Local
<u>Retail Marijuana Cultivation Facility</u> Tier 1 (1-1,800 plants)	\$5,000.00	\$1,500.00	Separate Checks \$4,000.00 State \$2,500.00 Local
<u>Retail Marijuana Testing Facility</u>	\$1,000.00	\$1,500.00	Separate Checks \$2,000.00 State \$500.00 Local
<u>Retail Marijuana Transporter</u>	\$1,000.00	\$4,400.00	Separate Checks \$4,900.00 State \$500.00 Local
<u>Retail Marijuana Business Operator</u>	\$1,000.00	\$2,200.00	Separate Checks \$2,700.00 State \$500.00 Local
<u>Marijuana Hospitality Business (Eff. Jan. 1, 2020)</u>	\$1,000.00	\$1,000.00	Separate Checks \$1,500.00 State \$500.00 Local
<u>Retail Marijuana Hospitality and Sales Business (Eff. Jan. 1, 2020)</u>	\$5,000.00	\$2,000.00	Separate Checks \$4,500.00 State \$2,500.00 Local

B. Regulated Marijuana Business Renewal Application and License Renewal Fees.

1. Medical Marijuana Businesses.

<u>License Type</u>	<u>Application Fee</u>	<u>License Fee</u>	<u>Total Due at Application</u>
<u>Medical Marijuana Store</u>	\$300.00	\$1,500.00	\$1,800.00
<u>Medical Marijuana Products Manufacturer</u>	\$300.00	\$1,500.00	\$1,800.00

<u>Medical Marijuana Cultivation Facility</u>			
Class 1 (1-500 plants)		\$1,500.00	\$1,800.00
Class 2 (501-1,500 plants)		\$2,300.00	\$2,600.00
Class 3 (1,501-3,000 plants)	\$300.00	\$3,500.00	\$3,800.00
Expanded Production Management (for each class of 3,000 plants over Class 3)		\$3,500.00 [Plus \$800 for each additional class of 3,000 plants over Class 3]	\$3,800.00 [Plus \$800 for each additional class of 3,000 plants over Class 3]
<u>Medical Marijuana Testing Facility</u>	\$300.00	\$1,500.00	\$1,800.00
<u>Medical Marijuana Transporter</u>	\$300.00	\$4,400.00	\$4,700.00
<u>Medical Marijuana Business Operator</u>	\$300.00	\$2,200.00	\$2,500.00
<u>Marijuana Research and Development Facility</u>	\$300.00	\$1,500.00	\$1,800.00

2. Retail Marijuana Businesses.

<u>License Type</u>	<u>Application Fee</u>	<u>License Fee</u>	<u>Total Due at Application</u>
<u>Retail Marijuana Store</u>	\$300.00	\$1,500.00	\$1,800.00
<u>Retail Marijuana Products Manufacturer</u>	\$300.00	\$1,500.00	\$1,800.00
<u>Retail Marijuana Cultivation Facility</u>			
Tier 1 (1-1,800 plants)		\$1,500.00	\$1,800.00
Tier 2 (1,801-3,600 plants)		\$2,300.00	\$2,600.00
Tier 3 (3,601-6,000 plants)	\$300.00	\$3,000.00	\$3,300.00
Tier 4 (6,001-10,200 plants)		\$4,500.00	\$4,800.00
Tier 5 (10,201-13,800 plants)		\$6,500.00	\$6,800.00
Expanded Production Management (for each		\$6,500.00	\$6,800.00 [Plus

additional tier of 3,600 plants over Tier 5)		[Plus \$800.00 for each additional tier of 3,600 plants over Tier 5]	\$800.00 for each additional tier of 3,600 plants over Tier 5]
<u>Retail Marijuana Testing Facility</u>	\$300.00	\$1,500.00	\$1,800.00
<u>Retail Marijuana Transporter</u>	\$300.00	\$4,400.00	\$4,700.00
<u>Retail Marijuana Business Operator</u>	\$300.00	\$2,200.00	\$2,500.00
<u>Marijuana Hospitality Business (Eff. Jan. 1, 2020)</u>	\$300.00	\$750.00	\$1,050.00
<u>Retail Marijuana Hospitality and Sales Business (Eff. Jan. 1, 2020)</u>	\$300.00	\$1,500.00	\$1,800.00

C. Owner Request for a Finding of Suitability, Owner License, and Owner Identification Badge – Initial Application and Renewal Fees.

1. Controlling Beneficial Owner Request for a Finding of Suitability Fee.
 - a. \$800.00 per Natural Person
 - b. \$800.00 for an Entity that is not a Publicly Traded Corporation, plus the fee in paragraph (C)(1)(a) and (C)(1)(b), for each associated natural person subject to suitability
 - c. \$5,000.00 for a Publicly Traded Corporation, plus the fee in paragraph (C)(1)(a) and (C)(1)(b), for each associated natural person or Entity subject to suitability.
2. Passive Beneficial Owner Request for Finding of Suitability Fee. A Passive Beneficial Owner may, but is not required to, apply for an Owner License and Identification Badge, and if the Passive Beneficial Owner chooses to do so, must submit the fees required by subparagraph (C)(1).
3. Renewal Fee for an Owner License. All Controlling Beneficial Owners and licensed Passive Beneficial Owners - \$500.00.

D. Employee License – Initial Fees and Renewal Fees.

1. Employee License Initial Application and License Fee – \$100.00
 - a. Of the total Employee License application and license fee, \$75.00 is the application fee and \$25.00 is the license fee. An individual submitting an application for an Employee License may submit the total fee of \$100.00 in one form of payment.
2. Employee License Renewal Fee – \$75.00

- a. Of the total Employee License Renewal fee, \$50.00 is the application fee and \$25.00 is the license fee. An individual submitting an application for an Employee License renewal may submit the total fee of \$75.00 in one form of payment.
 3. All Key Licenses and Support Licenses issued before January 1, 2020 will be converted to an Employee License upon the first license renewal following January 1, 2020.
- E. Temporary Appointee Registration – Request for Finding of Suitability Fees.
1. Natural Person – \$225.00
 2. Entity – \$800.00
- F. Other Fees. The following other fees apply:
1. Permits.
 - a. Off Premises Storage Permit – \$1,500.00
 - b. Transporter Off Premises Storage Permit – \$2,200.00
 - c. Centralized Distribution Permit Initial and Renewal Fee – \$20.00
 - d. R&D Co-Location Permit Initial and Renewal Fee – \$50.00
 - e. Delivery Permit:
 - i. Initial Fee Business License that will expire in 6 months or less - \$2,000.00.
 - ii. Initial Fee Business License that will expire in more than 6 months - \$4,000.00.
 - iii. All Renewals - \$2,000.00
 - f. Transition Permit – \$250.00
 2. Regulated Marijuana Business Changes. The following fees apply per license:
 - a. Change of Controlling Beneficial Owner – \$1,600.00
 - b. Changes Exempt from Change of Owner Application Requirement – \$800.00
 - c. Change of Trade Name – \$50.00
 - d. Change of Location – \$500.00
 - e. Modification of Licensed Premises – \$100.00
 3. Marijuana Research and Development Facility Research Project Proposal – \$500.00
 4. Responsible Vendor Provider Applications.
 - a. Responsible Vendor Program Provider Initial Application – \$850.00

- b. Responsible Vendor Program Provider Renewal Application – \$350.00
- 5. Duplicate License, Identification Badge, ~~or Certificate~~, Regulated Marijuana Business License Reinstatement.
 - a. Duplicate Business License – \$20.00
 - b. Duplicate Owner or Employee Identification Badge – \$20.00
 - c. Responsible Vendor Program Provider Duplicate Certificate – \$50.00
 - d. Reinstatement of Regulated Marijuana Business License - \$250.00

G. When Fees are Due. All fees in this Rule are due at the time the application or request is submitted.

Basis and Purpose – 2-225

The statutory basis for this rule includes but is not limited to sections 44-10-202(1)(c), 44-10-202(1)(e), 44-10-203(1)(c), 44-10-203(2)(a), 44-10-203(2)(c), 44-10-203(2)(w), 44-10-203(2)(ee), 44-10-203(7), 44-10-307, 44-10-308, 44-10-309, 44-10-313, 44-10-314, and 44-10-316 C.R.S. The purpose of this rule is to establish the requirements and procedures for the license renewal process, including the circumstances under which an expired license may be reinstated.

2-225 – Renewal Application Requirements for All Licensees

A. License Periods.

- 1. Regulated Marijuana Business and Owner Licenses are valid for one year from the date of issuance.
- 2. Medical Marijuana Transporters, Retail Marijuana Transporters, and Employee Licenses are valid for two years from the date of issuance.

B. Division Notification Prior to Expiration.

- 1. The Division will send a notice of license renewal 90 days prior to the expiration of an existing license by first class mail to the Licensee's physical address of record.
- 2. Failure to receive the Division notification does not relieve the Licensee of the obligation to timely renew the license.

C. Renewal Deadline.

- 1. A Licensee must apply for the renewal of an existing license prior to the Licensee's expiration date.
- 2. A renewal application submitted to the Division prior to the license's expiration date shall be deemed timely pursuant to subsection 24-4-104(7), C.R.S., and the Licensee may continue to operate until Final Agency Order on the renewal application.

D. If License Not Renewed Before Expiration. A license is immediately invalid upon expiration if the Licensee has not filed a renewal application and remitted all of the required application and license fees prior to the license expiration date. A Regulated Marijuana Business that fails to file a renewal application and remit all required application and license fees prior to the license

expiration date must not operate unless it first obtains a new state license and any required local license.

1. Reinstatement of Expired Regulated Marijuana Business License. A Regulated Marijuana Business that fails to file a renewal application and remit all required application and license fees prior to the license expiration date may request that the Division reinstate an expired license only in accordance to the following:
 - a. The Regulated Marijuana Business license expired within the previous 30 days;
 - b. The Regulated Marijuana Business License has submitted an initial application pursuant to Rule 2-220. The initial application must be submitted prior to, or currently with, the request for reinstatement;
 - c. The Regulated Marijuana Business has paid the reinstatement fee in Rule 2-205; and
 - d. Any license or approval from the Local Licensing Authority or Local Jurisdiction is still valid or has been obtained.
2. Reinstatement Not Available for Surrendered or Revoked Licenses. A request for reinstatement cannot be submitted and will not be approved for a Regulated Marijuana Business license that was surrendered or revoked.
3. Reinstatement Not Available for Owner Licenses or Employee Licenses. A request for reinstatement cannot be submitted and will not be approved for expired, surrendered, or revoked Owner Licenses or Employee Licenses.
4. Denial of Request for Reinstatement or Administrative Action. If the Licensee requesting reinstatement of a Regulated Marijuana Business license operated during a period that the license was expired, the request may be subject to denial or subject to any administrative action authorized by the Marijuana Code or these Rules.
5. Approval of Request for Reinstatement. Upon approval of any request for reinstatement of an expired Regulated Marijuana Business License, the Licensee may resume operations until the final agency action on the Licensee's initial application for a Regulated Marijuana Business license.
 - a. Approval of a request for reinstatement of an expired Regulated Marijuana Business license does not guarantee approval of the Regulated Marijuana Business license initial application;
 - b. Approval of a request for reinstatement of an expired license does not waive the State Licensing Authority's authority to pursue administrative action on the expired license or initial application for Regulated Marijuana Business license.
6. Final Agency Order on Initial Application for Regulated Marijuana Business.
 - a. If the initial application for a Regulated Marijuana Business license submitted pursuant to this Rule is approved, the Regulated Marijuana Business license will replace the reinstated license.
 - b. If the initial application for a Regulated Marijuana Business license submitted pursuant to this Rule is denied, the Licensee must immediately cease all operations including but not limited to, Transfer of Regulated Marijuana. See

Rule 2-270 – Application Denial and Voluntary Withdrawal; 8-115 – Disposition of Unauthorized Regulated Marijuana; 8-130 – Administrative Warrants.

- E. Voluntarily Surrendered or Revoked Licenses Not Eligible for Renewal. Any license that was voluntarily surrendered or that was revoked by a Final Agency Order is not eligible for renewal. Any Licensee who voluntarily surrendered its license or has had its license revoked by a Final Agency Order may only submit an initial application. The State Licensing Authority will consider the voluntary surrender or the Final Agency Order and all related facts and circumstances in determining approval of any subsequent initial application.
- F. Licenses Subject to Ongoing Administrative Action. Licenses subject to an administrative action are subject to the requirements of this Rule. Licenses that are not timely renewed expire and cannot be renewed.
- G. Documents Required at Renewal. A Regulated Marijuana Business must provide the following documents with every renewal application:
1. Any document required by Rule 2-220(A)(1) through (10) that has changed since the document was last submitted to the Division. It is a license violation affecting public safety to fail to submit any document that changed since the last submission for the purpose of circumventing the requirements of the Marijuana Code, or these Rules;
 2. A copy of the Local Licensing Authority or Local Jurisdiction approval, licensure, and/or documentation demonstrating timely submission of pending local license renewal application;
 3. A list of any sanctions, penalties, assessments, or cease and desist orders imposed by any securities regulatory agency, including but not limited to the United States Securities and Exchange Commission or the Canadian Securities Administrators;
 4. A Regulated Marijuana Business operating under a single Entity name with more than one license may submit the following documents only once each calendar year on the first license renewal in lieu of submission with every license renewal in the same calendar year:
 - a. Tax documents and financial statements required by Rule 2-220(A)(11) and (12);
 - b. If the Regulated Marijuana Business is a Publicly Traded Corporation, the most recent list of Non-Objecting Beneficial Owners possessed by the Regulated Marijuana Business;
 - c. A copy of all management agreement(s) the Regulated Marijuana Business has entered into regardless of whether the Person is licensed or unlicensed.; and
 - d. Contracts, agreements, royalty agreements, equipment leases, financing agreement, or security contract for any Indirect Financial Interest Holder that is required to be disclosed by Rule 2-230(A)(3).
- H. Controlling Beneficial Owner Signature. At least one Controlling Beneficial Owner shall sign the renewal application. However, other Controlling Beneficial Owners may be required to sign authorizations and/or requests to release information.

Basis and Purpose – 2-260

The statutory authority for this rule includes but is not limited to sections 44-10-202(1)(c), 44-10-203(1)(c), 44-10-203(1)(e), 44-10-203(1)(j), 44-10-203(2)(a), 44-10-203(2)(h), 44-10-203(2)(w), 44-10-305, 44-10-313(8)(b), and 44-10-313(2) C.R.S. The purpose of this rule is to establish guidelines for changing, altering, modifying, or transitioning the Licensed Premises. This Rule 2-260 was previously Rules M and R 303, 1 CCR 212-1 and 1 CCR 212-2.

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

- A. Application Required to Change, Alter, or Modify Licensed Premises. After obtaining a license, the Licensee shall make no physical change, alteration, or modification of the Licensed Premises that materially or substantially alters the Licensed Premises or the usage of the Licensed Premises from the plans originally approved, without the Division's prior written approval and, written approval or written acknowledgement from the relevant Local Licensing Authority or Local Jurisdiction. The Licensee whose Licensed Premises are to be materially or substantially changed is responsible for filing an application for approval on current forms provided by the Division. Changes to the Licensed Premises which do not require an application must be disclosed on a floorplan submitted with the Licensee's renewal application.
1. Emergency Exemption. A Regulated Marijuana Business making temporary modifications to its Licensed Premises to effectuate social distancing measures in response to COVID-19 and applicable executive orders and public health orders in effect at the time of the temporary modifications, is exempt from State Licensing Authority application and prior-approval requirements in this Rule. The exemption provided under this subparagraph (A)(1) shall remain effective pursuant to section 24-4-103(6), C.R.S., or until repealed by the State Licensing Authority upon notice to the Secretary of State.
- B. What Constitutes a Material Change. This Rule does not exempt Licensees from complying with any Local Licensing Authority or Local Jurisdiction requirements regarding changes, alterations, or modifications to the Licensed Premises. Material or substantial changes, alterations, or modifications requiring Division approval include, but are not limited to, the following:
1. Any increase or decrease in the total physical size or capacity of the Licensed Premises;
 2. The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress and/or egress, when such common entryway, doorway or passage alters or changes Limited Access Areas, such as the cultivation, harvesting, manufacturing, testing, or sale of Regulated Marijuana within the Licensed Premises; or
 3. Any physical modification of the Licensed Premises which would require the installation of additional video surveillance cameras. See Rule 3-225 – Video Surveillance.
- C. Attachments to Application. The Division and relevant Local Licensing Authority or Local Jurisdiction may grant approval for the types of changes, alterations, or modifications described herein upon the filing of an application by the Licensee and payment of any applicable fee. The Licensee must submit all information requested by the Division, including but not limited to, documents that verify the following:
1. The Licensee will continue to have possession of the Licensed Premises, as changed, by ownership, lease, or rental agreement; and
 2. The proposed change conforms to any local restrictions related to the time, manner, and place of Regulated Marijuana Business regulation.

Basis and Purpose – 2-265

The statutory basis for this rule includes but is not limited to sections 44-10-202(1)(c), 44-10-202(1)(e), 44-10-203(2)(b)-(c), 44-10-203(2)(e), 44-10-203(2)(t)-(u), 44-10-203(2)(w), 44-10-307, 44-10-308(2), 44-10-313(6), 44-10-401(2)(c), 44-10-901(1), and 24-76.5-101 et seq., C.R.S. Historically, natural persons who held an Owner's Interest in a Regulated Marijuana Business were required to hold an Associated Key License. This Rule transitions the Associated Key designation to an Owner License designation after August 1, 2019. The purpose of this rule is to clarify the requirements and procedures a Person must follow when applying for or possessing either an Owner License or an Employee License. This rule also identifies factors the State Licensing Authority will consider in determining whether a natural person is a resident and whether such person possess good moral character.

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

- A. Associated Key Licenses. Associated Key licenses remain valid until the first renewal following August 1, 2019, after which such licenses will be renewed as an Owner License.
- B. Owner Licenses Required.
1. Each Controlling Beneficial Owner must hold a valid Owner License.
 2. If a Controlling Beneficial Owner is an Entity, then its Executive Officer(s) and any natural person who indirectly holds ten percent or more of the Owner's Interests in the Regulated Marijuana Business must also hold a valid Owner's License.
 3. A Passive Beneficial Owner who is a natural person may elect to hold an Owner License and obtain an Owner Identification Badge provided that such Person agrees to be disclosed as holding an Owner's Interest in the Regulated Marijuana Business.
 4. Only Controlling Beneficial Owners and Passive Beneficial Owners can obtain an Owner License.
- C. Owner License and Identification Badge or Employee License and Identification Badge Required. The following natural persons must possess a valid Owner License and Identification Badge or an Employee License and Identification Badge:
1. Any natural person who possesses, cultivates, manufactures, tests, dispenses, sells, serves, transports, or delivers Regulated Marijuana or Regulated Marijuana Products as permitted by privileges of a Regulated Marijuana Business license;
 2. Any natural person who has access to the Inventory Tracking System or a Regulated Marijuana Business point-of-sale system; and
 3. Any natural person with unescorted access in the Limited Access Area.
- D. Escort or Monitoring Required.
1. Any natural person in a Limited Access Area that does not have a valid Owner License and Identification Badge or an Employee License and Identification Badge is a visitor and must be escorted at all times by a person who holds a valid Owner License and Identification Badge or Employee License and Identification Badge. Failure by a Regulated Marijuana Business to continuously escort an individual who does not have a valid Owner License and Identification Badge or an Employee License and Identification Badge in the Limited Access Area is a license violation affecting public safety.

2. Patients and consumers in a Restricted Access Area and third-party vendors in a Limited Access Area do not need to be escorted at all times, but must be reasonably monitored to ensure compliance with these rules.
- E. Employee License Required to Commence or Continue Employment. Any natural person required to obtain an Employee License by these rules must obtain such license before commencing activities permitted by his or her Employee License.
- F. Owner License and Employee License Identification Badges Are Property of the State Licensing Authority. All Owner Licenses and Employee Licenses, and all Identification Badges are property of the State Licensing Authority.
- G. Owner and Employee Initial and Renewal Applications Required. Owner Licensees and Employee Licensees must submit initial license applications and renewal applications on Division forms and in accordance with this Rule and Rules 2-215, 2-220, and 2-225.
- H. Licenses Requiring Proof of Residency. Where a license issued by the State Licensing Authority requires the Applicant to establish Colorado residency, methods by which an Applicant may demonstrate his or her residency include, but are not limited to the following:
1. Current valid Colorado driver's license or current Colorado identification card with a current address; or
 2. A photo ID and two of the following documents showing the correct name, current date, and current Colorado address:
 - a. Utility bill or phone bill;
 - b. Car registration;
 - c. Voter registration card;
 - d. Statement from a major creditor;
 - e. Bank statement;
 - f. Recent county tax notice;
 - g. Recent contract/mortgage statement.

I.H. Owner License Qualifications and Privileges.

1. Owner License Qualifications. Each Controlling Beneficial Owner, or Passive Beneficial Owner who elects to be subject to disclosure and licensure, must meet the following criteria before receiving an Owner License:
 - a. The Applicant is not prohibited from licensure pursuant to section 44-10-307, C.R.S.;
 - b. The Applicant has not been a State Licensing Authority employee with regulatory oversight responsibilities for Persons licensed by the State Licensing Authority in the six months immediately preceding the date of the Applicant's application;
 - c. The Division has not received notice that the Applicant has failed to comply with a court or administrative order for current child support, child support debt,

retroactive child support, or child support arrearages. If the Division receives notice of the Applicant's noncompliance pursuant to sections 24-35-116 and 26-13-126, C.R.S., the application may be denied or delayed until the Applicant has established compliance with the order to the satisfaction of the state child support enforcement agency.

- d. Each Controlling Beneficial Owner required to hold an Owner License, and any Passive Beneficial Owner that elects to hold an Owner License, must be fingerprinted at least once every two years, and may be fingerprinted more often at the Division's discretion.

i. Emergency Suspension of Fingerprinting for Renewal Applications. In response to the presence of COVID-19 in the state and the executive orders and public health orders in effect, the requirement for an Owner Licensee to submit fingerprints under this subparagraph (H)(1)(d) with a renewal application is temporarily suspended. This emergency suspension shall remain effective pursuant to section 24-4-103(6), C.R.S., or until repealed by the State Licensing Authority upon notice to the Secretary of State.

- e. An Owner Licensee who exercises day-to-day operational control on the Licensed Premises of a Regulated Marijuana Business must possess an Identification Badge and must establish and maintain Colorado residency. A Controlling Beneficial Owner will not be deemed to exercise day-to-day operational control by reason of holding a title defined as an Executive Officer.

2. Owner License Exercising Privileges of an Employee License. A natural person who is a Colorado resident and holds an Owner License and Identification Badge may exercise the privileges of an Employee License in any Regulated Marijuana Business.
3. Business License Required. A natural person cannot hold an Owner License without holding a Regulated Marijuana Business license, or without at least submitting an application for a Regulated Marijuana Business license.

J. Employee License Qualifications and Privileges.

1. Employee License Qualifications and Requirements. An Employee License Applicant must meet the following criteria before receiving an Employee License:
- a. The Applicant is not prohibited from licensure pursuant to section 44-10-307, C.R.S.;
- b. The Applicant has not been a State Licensing Authority employee with regulatory oversight responsibilities for Persons licensed by the State Licensing Authority in the six months immediately preceding the date of the Applicant's application.
- c. The Division has not received notice that the Applicant has failed to comply with a court or administrative order for current child support, child support debt, retroactive child support, or child support arrearages. If the Division receives notice of the Applicant's noncompliance pursuant to sections 24-35-116 and 26-13-126, C.R.S., the application may be denied or delayed until the Applicant has established compliance with the order to the satisfaction of the state child support enforcement agency.

- d. ~~Employee Licensees working in a Regulated Marijuana Business must be Colorado Residents at the time of initial license application and must maintain residency during the period of licensure, unless they are applying for a workforce training or development residency exempt license.~~
2. Medical and Retail Employee Licenses. A natural person who holds a current, valid Employee License and Identification Badge issued pursuant to the Marijuana Code ~~or a natural person who holds a support or key license issued by the Colorado Limited Gaming Commission who has complied with this Rule 2-265(E.5)~~ may work in any Regulated Marijuana Business.
3. ~~Workforce Training or Development Residency Exempt License.~~ An Applicant who wishes to obtain a workforce development or training exemption to the license residency requirement may apply for an Employee License and must:
- a. ~~Submit a complete application on Division approved forms;~~
 - b. ~~Establish she or he meets the licensing criteria of this Rule 2-265(H)(1)(a)-(c);~~
 - c. ~~Provide evidence of proof of lawful presence; and~~
 - d. ~~Provide a complete Workforce Training or Development Affirmation form executed under penalty of perjury.~~
- KJ. Owner Licensees and Employee Licensees Required to Maintain Licensing Qualification. An Owner Licensee or Employee Licensee's failure to maintain qualifications for licensure may constitute grounds for discipline, including but not limited to, suspension, revocation, or fine.
- ~~K. Factors Considered when Determining Residency and Citizenship.~~ This Rule applies to natural persons who are required to have and maintain Colorado residency. In determining whether a natural person is a Colorado resident, the State Licensing Authority will consider the following factors:
1. ~~Primary Home Defined.~~ The location of an Applicant's principal or primary home or place of abode ("primary home") may establish Colorado residency. An Applicant's primary home is that home or place in which a person's habitation is fixed and to which the person, whenever absent, has the present intention of returning after a departure or absence therefrom, regardless of the duration of such absence. A primary home is a permanent building or part of a building and may include, by way of example, a house, condominium, apartment, room in a house, or manufactured housing. No rental property, vacant lot, vacant house or cabin, or other premises used solely for business purposes will be considered a primary home.
 2. ~~Reliable Indicators That an Applicant's Primary Home is in Colorado.~~ The State Licensing Authority considers the following types of evidence to be generally reliable indicators that a person's primary home is in Colorado:
 - a. ~~Evidence of business pursuits, place of employment, income sources, residence for income or other tax purposes, residence of spouse and any minor children, leaseholds, situs of personal and real property, existence of any other residences outside Colorado and the amount of time spent at each such residence, and any motor vehicle or vessel registration;~~
 - b. ~~Duly authenticated copies of the following documents may be taken into account: A current driver's license with address, recent property tax receipts, copies of recent income tax returns where a Colorado mailing address is listed as the~~

~~primary address, current voter registration cards, current motor vehicle or vessel registrations, and other public records evidencing place of abode or employment; and~~

~~c. Other types of reliable evidence.~~

~~3. Totality of Evidence. The State Licensing Authority will review the totality of the evidence, and any single evidence regarding the location of a person's primary home is not necessarily determinative.~~

~~4. Other Considerations for Residency. The State Licensing Authority may consider the following circumstances:~~

~~a. Members of the armed services of the United States or any nation allied with the United States who are on active duty in this state under permanent orders and their spouses;~~

~~b. Personnel in the diplomatic service of any nation recognized by the United States who are assigned to duty in Colorado and their spouses; and~~

~~c. Full time students who are enrolled in any accredited trade school, college, or university in Colorado. The temporary absence of such student from Colorado, while the student is still enrolled at any such trade school, college, or university, will not be deemed to terminate their Colorado residency. A student will be deemed "full-time" if considered full-time pursuant to the rules or policy of the educational institution he or she is attending.~~

L. Evaluating a Natural Person's Good Moral Character Based on Criminal History.

1. In evaluating whether a Person is prohibited from holding a license pursuant to sections subsections 44-10-307(1)(b) or (c), C.R.S., based on a determination that the person's criminal history indicates she or he is not of Good Moral Character, the Division will not consider the following:

- a. The mere fact a person's criminal history contains an arrest(s) or charge(s) of a criminal offense that is not actively pending;
- b. A conviction of a criminal offense in which the Applicant/Licensee received a pardon;
- c. A conviction of a criminal offense which resulted in the sealing or expungement of the record; or
- d. A conviction of a criminal offense in which a court issued an order of collateral relief specific to the application for state licensure.

2. In evaluating whether a Person is prohibited from holding a license pursuant to subsections 44-10-307(1)(b) or (c), C.R.S., based on a determination that the person's criminal history indicates he or she is not of Good Moral Character, the Division may consider the following history:

- a. Any felony conviction(s);
- b. Any conviction(s) of crimes involving moral turpitude;

- c. Pertinent circumstances connected with the conviction(s); and
 - d. Conduct underlying arrest(s) or charge(s) or a criminal offense for which the criminal case is not actively pending.
3. When considering criminal history in subparagraph (L)(2) above, the Division will consider:
- a. Whether there is a direct relationship between the conviction(s) and the duties and responsibilities of holding a state license issued pursuant to the Marijuana Code;
 - b. Any information provided to the Division regarding the person's rehabilitation, which may include but is not limited to the following non-exhaustive considerations:
 - i. Character references;
 - ii. Educational, vocational, and community achievements, especially those achievements occurring during the time between the person's most recent criminal conviction and the application for a state license;
 - iii. Successful participation in an alcohol and drug treatment program;
 - iv. That the person truthfully and fully reported the criminal conduct to the Division;
 - v. The person's employment history after conviction or release, including but not limited to whether the person was vetted and approved to hold a state or out-of-state license for the purposes of employment in a regulated industry;
 - vi. The person's successful compliance with any conditions of parole or probation imposed after conviction or release; or
 - vii. Any other facts or circumstances tending to show the Applicant has been rehabilitated and is ready to accept the responsibilities of a law-abiding and productive member of society.

Part 3 – Regulated Marijuana Business Operations

3-300 Series – Health and Safety Regulations

Basis and Purpose – 3-345

The statutory basis for this rule includes but is not limited to sections 44-10-202(1), 44-10-203(1)(f), 44-10-203(1)(j), 44-10-203(2)(e), 44-10-203(2)(h), 44-10-203(2)(i), and 44-10-203(2)(v), C.R.S. On March 11, 2020, Governor Polis issued Executive Order 2020 003 “Declaring a Disaster Emergency Due to the Presence of Coronavirus Disease 2019 in Colorado,” related to the presence of COVID-19 in Colorado. This emergency rule provides Medical Marijuana Stores and Retail Marijuana Stores the ability to accept orders over the phone, or online, and to provide pick-up outside the Licensed Premises to patients and consumers. This emergency rule establishes safeguards that ensure Licensees can take necessary steps to accomplish “social distancing” pursuant to state and national guidelines. This emergency rule also provides that it will be effective for 120 days, or until Executive Order 2020 003 is rescinded, withdrawn, or expires, if such rescission, withdrawal, or expiration occurs earlier.

Rule 3-345 – Emergency Allowances, Restrictions, and Requirements in Response to COVID-19**A. Social Distancing Measures.**

1. All Regulated Marijuana Businesses. All Regulated Marijuana Businesses must comply with guidance and directives for maintaining a clean and safe work environment issued by the Colorado Department of Public Health and Environment and any applicable local health department, and must comply with social distancing requirements, including but not limited to requirements for individuals to maintain at least a six-foot distance from other individuals, wash hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer, cover coughs or sneezes (into the sleeve or elbow, not hands), regularly clean high-touch surfaces, and not shake hands.
2. Additional Requirements for Medical Marijuana Stores and Retail Marijuana Stores.
 - a. Medical Marijuana Stores and Retail Marijuana Stores must ensure social distancing between patients, consumers, and employees. Such social distancing measures may include, but are not limited to the following:
 - i. Limit the number of people on the Licensed Premises at any one-time (including employees) such that all people are at least six-feet apart at all times;
 - ii. Limit the amount of time a patient or consumer can remain on the Licensed Premises;
 - iii. Utilize additional portions of the Licensed Premises, such as the lobby, to provide additional space to facilitate social distancing between individual employees and between employees and patients or consumers;
 - iv. Make temporary modifications to the Licensed Premises pursuant to Rule 2-260(A)(1), to provide additional space or create barriers to facilitate social distancing between individual employees and between employees and patients or consumers;
 - v. Use online or web-based applications for virtual lines (waitlists);
 - vi. Require or encourage advanced appointment scheduling for patients and consumers to pick-up orders;
 - vii. Instruct patients and consumers to arrive only after receiving notification that their order is ready for pick-up; and
 - viii. Require or encourage patients and consumers to complete orders and payments over the telephone or online prior to arrival for pick-up.
 - b. Medical Marijuana Stores and Retail Marijuana Stores must limit the formation of lines outside the Licensed Premises to the greatest extent possible. If preventing the formation of lines entirely is not feasible, the Licensee shall:
 - i. Assign staff to monitor and manage queuing;
 - ii. Limit the total number of patients or consumers allowed to congregate outside of the Licensed Premises, to the greatest extent possible;

- iii. Ensure patients and consumers are at least six-feet apart at all times; and
- iv. Ensure patients and consumers are not blocking pedestrian traffic or the entry or exit to or from any neighboring business.

B. Transactions Outside the Restricted Access Area.

- 1. Licensed Premises. For purposes of this Rule 3-345(B), and to ensure Licensees can effectual social distancing pursuant to state and local requirements, the Licensed Premises includes the property immediately adjacent to the Licensed Premises and under control of the Licensee. The Licensed Premises does not include any public property such as public streets, public sidewalks, or public parking lots.
- 2. Medical Marijuana Stores.
 - a. Accepting Orders.
 - i. A Medical Marijuana Store that complies with this Rule 3-345 may accept orders for Medical Marijuana or Industrial Hemp Products over the internet or phone, and may provide patients the opportunity to pick-up orders outside the Restricted Access Area so long as the pick-up occurs on the Licensed Premises.
 - ii. Other than internet and phone orders permitted by this Rule 3-345, a Medical Marijuana Store shall not accept orders outside the Restricted Access Area of the Licensed Premises.
 - b. Accepting Payment.
 - i. A Medical Marijuana Store that complies with this Rule 3-345 may accept payment and complete sales transactions for Medical Marijuana or Industrial Hemp Products over the phone or internet.
 - ii. A Medical Marijuana Store may not accept cash payments for the sale of Medical Marijuana outside of the Restricted Access Area of the Licensed Premises.
- 3. Retail Marijuana Stores.
 - a. Accepting Orders.
 - i. A Retail Marijuana Store that complies with this Rule 3-345 may accept orders for Retail Marijuana or Industrial Hemp Products over the internet or phone, and may provide consumers the opportunity to pick-up orders outside the Restricted Access Area so long as the pick-up occurs on the Licensed Premises.
 - ii. Other than internet and phone orders permitted by this Rule 3-345, a Retail Marijuana Store shall not accept orders outside the Restricted Access Area of the Licensed Premises.
 - b. Accepting Payment.

- i. Pursuant to Executive Order D 2020 011, "Ordering the Temporary Suspension of Certain Regulatory Statutes Due to the Presence of COVID-19", and any extension of such executive order, a Retail Marijuana Store that complies with this Rule 3-345 may accept payment and complete sales transactions for Retail Marijuana or Industrial Hemp Products over the phone or internet.
 - ii. Subparagraph (B)(3)(b)(i) allowing Retail Marijuana Stores to accept payment and complete sales transactions for Retail Marijuana or Industrial Hemp Products over the phone or internet shall remain effective until the Executive Order D 2020 011 is rescinded, withdrawn, or expires.
 - iii. A Retail Marijuana Store may not accept cash payments for the sale of Retail Marijuana outside of the Restricted Access Area of the Licensed Premises.
 4. Transfers within the Licensed Premises. Nothing in this Rule 3-345 prohibits a Medical Marijuana Store or Retail Marijuana Store from Transferring, including accepting an order and payment for, Regulated Marijuana to a patient or consumer within the Restricted Access Area.
- C. Order Requirements. A Medical Marijuana Store or Retail Marijuana Store may accept orders of Regulated Marijuana from patients who are at least 21 years of age, from parents or guardians of a patient under 21 years of age, or consumers who are at least 21 years of age.
1. Orders Over the Phone and Internet. Prior to a Medical Marijuana Store or Retail Marijuana Store initiating an order for Regulated Marijuana over the phone or internet, the Licensee taking the order shall confirm the following information:
 - a. The name and date of birth of the patient or consumer placing the order;
 - b. The desired time of pick-up; and
 - c. For Medical Marijuana Stores, the following additional information:
 - i. The registration number reflected on the patient's registry identification card; and
 - ii. If the patient is under 18 years of age, the parent or guardian designated as the patient's primary caregiver, and if applicable, the registration number of the primary caregiver.
 2. The Licensee must ensure that all electronic transactions taken on-line or over the phone are entered into the Point of Sale System and Inventory Tracking System pursuant to the requirements of these Rules.
- D. Identification Requirements.
1. For a Medical Marijuana Store that allows patients to pick-up orders pursuant to this Rule 3-345 the Licensee must physically view and inspect the patient or caregiver's registry card, including any valid and verified digital registry card, and proof of identification to confirm the information contained on the documents and also to judge the authenticity of the documents presented prior to Transferring possession of Regulated Marijuana.

2. For a Retail Marijuana Store that allows customers to pick-up orders pursuant to this Rule 3-345, the Licensee must physically view and inspect the consumer's identification and ensure that the consumer's is 21 years of age or older prior to Transferring possession of Regulated Marijuana.

E. Additional Requirements.

1. Video Surveillance Requirements. For every Transfer of Regulated Marijuana pursuant to this Rule 3-345, the Medical Marijuana Store or Retail Marijuana Store's video surveillance must enable the recording of the patient, caregiver, or consumer (and the patients', caregivers' or consumer's vehicle in the event of curbside Transfer to a vehicle), and must enable the recording of the Licensee verifying the patient's, caregiver's, or consumer's identification and completion of the transaction through the Transfer of Regulated Marijuana. For all Transfers completed inside the Restricted Access Area, Licensees shall also ensure compliance with video surveillance requirements in Rule 3-225.

2. Packaging and Labeling Requirements. A Medical Marijuana Store or Retail Marijuana Store accepting orders pursuant to this Rule 3-345 shall ensure that all Regulated Marijuana is packaged and labeled in accordance with Rules 3-1010 and Rule 3-1015 prior to leaving the Restricted Access Area of the Licensed Premises.

3. Local Restrictions. Transfers of Regulated Marijuana pursuant to this Rule 3-345 remain subject to requirements and restrictions imposed by the relevant Local Licensing Authority or Local Jurisdiction.

F. Effect of this Emergency Rule 3-345. In response to the presence of COVID-19 in the state and the executive orders and public health orders in effect, this Emergency Rule 3-345 shall remain effective pursuant to section 24-4-103(6), C.R.S., or until repealed by the State Licensing Authority upon notice to the Secretary of State.

G. Violation Affecting Public Safety. It is a violation affecting public safety if a Regulated Marijuana Business violates the provisions of this Rule 3-345 or fails to comply with state or local social distancing requirements. Violations of this Rule 3-345 may result in the fine, suspension, summary suspension, and/or revocation of a Licensee's Owner License and Regulated Marijuana Business License pursuant to section 44-10-901, C.R.S. and the 8-200 Series Rules.