

NOTICE OF RULEMAKING HEARING

The State Licensing Authority ("State Licensing Authority") of the Colorado Department of Revenue, Marijuana Enforcement Division ("Division"), will consider the promulgation of additions and amendments to the State Licensing Authority's Rules, as authorized by Article XVIII, Section 16 of the Colorado Constitution and the Colorado Marijuana Code, sections 44-10-101 *et seq.*, C.R.S. ("Marijuana Code"). For specific information regarding the proposed changes and new rules, please refer to the contents of this Notice, and to the initial proposed rules which are expected to be considered by the stakeholder groups discussed below and which will be available on the <u>Division's website</u>.

STATUTORY AUTHORITY FOR RULEMAKING

The State Licensing Authority promulgates these rules pursuant to the authority granted in the Colorado Marijuana Code, 44-10-101, C.R.S., *et seq.*, Article XVIII, Section 16 of the Colorado Constitution, and section 24-4-103, C.R.S., of the Administrative Procedure Act.

SUBJECT OF RULEMAKING

Pursuant to section 24-4-103(2), C.R.S., the Division will initiate five (5) public meetings of representative groups of participants with an interest in the subject of the rulemaking ("stakeholder meetings"), which will begin **July 28**, **2020** and will continue through **September 1**, **2020**. More information related to these meetings can be found on the <u>Division's website</u>. Each stakeholder meeting is noticed on the Division's website, and the Division sent notification of each meeting to licensees and other stakeholders subscribed to receive updates from the Division. In the notice, stakeholders were given the opportunity to submit an application to participate on the panel for any of the stakeholder meetings and each stakeholder meeting included opportunities for additional public comment. The stakeholder meetings may relate to any of the proposed rule changes. The written and recorded materials from the stakeholder meetings will be available on the Division's website and will also be included in the rulemaking record. Initial proposed rules will be prepared in conjunction with the stakeholder meetings and are, or will be, available on the Division's website.

The Division will retain a record of the initial proposed rules as part of the rulemaking record. The initial proposed rules available on the Division's website are intended to provide interested persons with the initial proposed drafts of the permanent rules. The Division anticipates the initial proposed rules will be amended during the stakeholder engagement process, based on written comments submitted by the public, and internal review. Additional or new rules may also be added.

The Division intends to recommend to the State Licensing Authority for her consideration the promulgation of new and amended rules on the subjects outlined below. This list includes implementing legislation passed in the 2020 legislative session (expanding the accelerator program and extended deadline to implement this program to January 1, 2021 and removal of residency requirements for occupational licensees), sustainability recommendations, recommendations from the science and policy work group, rules setting and revising fees, potentially making emergency rules in response to the COVID-19 pandemic permanent, revising

and clarifying prior rules, and addressing any other subject matter necessary to implement, interpret, and effectively administer and enforce the Colorado Marijuana Code. This list is not exhaustive, and the State Licensing Authority may consider any additional rule or amendment to any rule.

Please take note that in addition to the subject matters addressed in the initial proposed rules, the State Licensing Authority will consider additional rules consistent with any subject matter needed to implement and interpret the Colorado Marijuana Code, and Article XVIII, Sections 14 and 16 of the Colorado Constitution. The rulemaking hearing will include, but will not be limited to, modifications required due to legislative changes adopted during the 2020 legislative session.

The full set of initial proposed rules and other relevant information regarding this rulemaking will be posted on the Division's website.

RULES TO BE REPEALED

Rule 7-105 – Medical Marijuana Transfers to Medical Research Facilities

Rule 7-110 – Retail Marijuana Transfers to Medical Research Facilities

RULES TO BE CONSIDERED FOR ADOPTION PURSUANT TO THE MARIJUANA CODE

The Marijuana Rules at 1 CCR 212-3 will include new and amended rules to implement legislative changes resulting from 2020 legislation, including House Bill 20-1080 and House Bill 20-1424 (which extends the deadline to implement accelerator program in SB19 224 to January 1, 2021), and new rules to incorporate and make amendments related to emergency rules. These rules will address the following subjects:

Definitions (necessary to implement HB 20-1424 and SB 19-224 as well as revisions to existing definitions)

Accelerator-Cultivator (SB 19-224)

Accelerator-Endorsed Licensee (SB19-224)

Accelerator Licensee (SB19-224)

Accelerator-Manufacturers (SB 19-224)

Accelerator Store (HB 20-1424)

Advertising

Additive

Controlling Beneficial Owner

Designated Sample Collection Area

Designated Test Batch Collector

Disproportionate Impacted Area (HB 20-1424) Food Additive Immature plant Inventory Tracking System Marijuana-Based Workforce Development Training Program (HB 20-1080) Marijuana Hospitality Business Marijuana Research and Development Facility Medical Marijuana Medical Marijuana Business Medical Marijuana Business Operator Medical Marijuana Testing Facility Medical Marijuana Transporter Medical Research Facility Mobile Premises Multiple-Serving Edible Marijuana Product Private Residence **Qualified Institutional Investor** Retail Marijuana Business (SB 19-224 and HB 20-1424) Retail Marijuana Business Operator Retail Marijuana Cultivation Facility Retail Marijuana Hospitality and Sales Business Retail Marijuana Products Manufacturer Retail Marijuana Testing Facility Retail Marijuana Transporter Sample Increment Sample Increment Collection

Sample Plan

Shipping Container

Social Equity Leader (SB 19-224 and HB 20-1424)

Social Equity Licensee (HB 20-1424)

Total THC

Unrecognizable

Volatile Organic Compounds

Part 1 – GENERAL APPLICABILITY

Basis and Purposes – 105

Part 2 – LICENSING AND INTERESTS

Rule 2-205 - Fees

Rule 2-220 - Initial Application Requirements for Regulated Marijuana Businesses (HB 20-1424)

Rule 2-225 – Renewal Application Requirements for All Licensees

Rule 2-230 – Disclosure of Financial Interests in a Regulated Marijuana Business

Rule 2-235 – Persons Subject to a Mandatory Finding of Suitability

Rule 2-245 – Change of Controlling Beneficial Owner Application or Notification

Rule 2-255 – Change of Location of a Regulated Marijuana Business

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

2-285 – Accelerator Endorsement Application, Qualification, and Eligibility

Part 3 – REGULATED MARIJUANA BUSINESS OPERATIONS

Rule 3-200 Series – Licensed Premises

Basis and Purpose – 3-210

Rule 3-215 – Regulated Marijuana Businesses: Shared Licensed Premises and Operational Separation

Rule 3-220 – Security Alarm Systems and Lock Standards

Rule 3-230 - Waste Disposal

Rule 3-235 – Transfers of Fibrous Waste

Rule 3-240 - Collection of Marijuana Consumer Waste

Rule 3-315 – Independent Health and Safety Audit

Rule 3-325 – Prohibited Chemicals

Rule 3-330 – Cultivation of Regulated Marijuana: Specific Health and Safety Requirements

Rule 3-335 – Production of Regulated Marijuana Concentrate and Regulated Marijuana Products: Specific Health and Safety Requirements

Rule 3-405 – Identification

Rule 3-505 – General Standards for a Regulated Marijuana Business Designated A Responsible Vendor

Rule 3-520 – Certification Training Class Core Curriculum

Rule 3-605 – Transport: All Regulated Marijuana Businesses

Rule 3-610 – Off-Premises Storage of Regulated Marijuana: All Regulated Marijuana Businesses

Rule 3-615 – Regulated Marijuana Delivery Permits

Basis and Purpose 3-720, 3-725 and 3-735 through 3-755

Rule 3-720 – Advertising: All Media

Rule 3-805 – Regulated Marijuana Businesses: Inventory Tracking System

Rule 3-905 – Business Records Required

Basis and Purpose – 3-930

Rule 3-930 - Request for Business Records from the Division

3-1000 Series – Labeling, Packaging, and Product Safety

Rule 3 - 1005 – Packaging and Labeling: Minimum Requirements Prior to Transfer to a Regulated Marijuana Business, except to a Marijuana Testing Facility

Rule 3-1010 – Packaging and Labeling: General Requirements Prior to Transfer to a Patient or Consumer

Rule 3-1025 - Packaging and Labeling: Minimum Requirements for Test Batch Transfers to a Marijuana Testing Facility

- 3-1100 Series Accelerator Program Operations
- 3-1105 Accelerator Program Participation and Privileges
- 3-1110 Accelerator Shared Premises
- 3-1115 Accelerator Separate Premises

Part 4 – REGULATED MARIJUANA TESTING PROGRAM

Rule 4-110 – Regulated Marijuana Testing Program: Sampling Procedures

Rule 4-115 – Regulated Marijuana Testing Program: Sampling and Testing Program

Rule 4-120 – Regulated Marijuana Testing Program: Contaminant Testing

Rule 4-125 – Regulated Marijuana Testing Program: Potency Testing

Rule 4-135 – Regulated Marijuana Testing Program: Contaminated Product and Failed Test Results and Procedures

Part 5 – MEDICAL MARIJUANA LICENSE TYPES

Rule 5-105 – Medical Marijuana Store: License Privileges

Rule 5-115 – Medical Marijuana Sales: General Limitations or Prohibited Acts

Rule 5-205 – Medical Marijuana Cultivation Facility: License Privileges

Rule 5-305 – Medical Marijuana Products Manufacturer: License Privileges

Rule 5-315 – Medical Marijuana Products Manufacturer: Medical Marijuana Concentrate Production

Rule 5-415 – Medical Marijuana Testing Facilities: Certification Requirements

Rule 5-505 – Medical Marijuana Transporter: License Privileges

Rule 5-510 – Medical Marijuana Transporter: General Limitations or Prohibited Acts

Part 6 – RETAIL MARIJUANA LICENSE TYPES

Rule 6-110 – Retail Marijuana Sales: General Limitations or Prohibited Acts

Rule 6-205 – Retail Marijuana Cultivation Facility: License Privileges

Rule 6-220 – Retail Marijuana Cultivation Facility: Production Management

Rule 6-305 – Retail Marijuana Products Manufacturer: License Privileges

Rule 6-310 – Retail Marijuana Products Manufacturer: General Limitations or Prohibited Acts

Rule 6-315 – Retail Marijuana Products Manufacturing Facility: Retail Marijuana Concentrate Production

Basis and Purpose – 6-330

Rule 6-405 – Retail Marijuana Testing Facilities: License Privileges

Rule 6-415 – Retail Marijuana Testing Facilities: Certification Requirements

Rule 6-510 - Retail Marijuana Transporter: General Limitations or Prohibited Acts

6-700 Series – Accelerator Cultivator Licenses

Rule 6-705 – Accelerator Cultivator: License Privileges

Rule 6-710 – Accelerator Cultivator: General Limitations or Prohibited Acts

Rule 6-715 – Accelerator Marijuana Cultivation Facilities: Retail Marijuana Concentrate Production

Rule 6-720 – Accelerator Cultivator Production Management

Rule 6-725 – Sampling Unit Protocols

6-800 Series – Accelerator Manufacturer Licenses

Rule 6-805 – Accelerator Manufacturer: License Privileges

Rule 6-810 – Accelerator Manufacturer: General Limitations or Prohibited Acts

Rule 6-815 – Accelerator Manufacturer: Retail Marijuana Concentrate Production

Rule 6-820 – Sampling Unit Protocols

Rule 6-825 – Accelerator Products Manufacturing Facility: Audited Product and Alternative Use Product

Rule 6-830 – Recall of Retail Marijuana Concentrate and Retail Marijuana Product

6-900 Series – Licensed Hospitality Businesses (relocated from 6-700 Series)

6-1100 Series – Accelerator Store Licenses

Rule 6-1105 – Accelerator Store: License Privileges

Rule 6-1110 – Accelerator Store: General Limitations or Prohibited Acts

Rule 6-1115 – Point of Sale: Restricted Access Area

Part 7 – REGULATED MARIJUANA TRANSFERS TO UNLICENSED ENTITIES

Part 8 – ENFORCEMENT & DISCIPLINE

Basis and Purpose - 8-235

Rule 8-235 – Penalties

Any other rules necessary to implement the Marijuana Code may be adopted.

RULEMAKING RECORD AND PUBLIC PARTICIPATION

- 1. <u>Official Rulemaking Record</u>. The official record for purposes of the rulemaking hearing to be held on **September 22, 2020** will include the written and recorded materials from the stakeholder meetings and any written comments or oral testimony submitted or presented.
- <u>Written Comments</u>. The State Licensing Authority encourages interested parties to submit written comments on the proposed rules, including alternate proposals, by **September 8**, **2020** so that the State Licensing Authority can review comments prior to the rulemaking hearing. Written comments will also be accepted after that date. The deadline to submit written comments is **5:00 P.M. on September 22**, **2020**.

The State Licensing Authority will accept all written comments, but strongly encourages written comments to be submitted on the <u>Marijuana Enforcement Division Suggested</u> <u>Revision to Rules Form</u> ("Rule Form"). Written comments may also be emailed to: <u>dor_medrulecomments@state.co.us</u>. The State Licensing Authority strongly encourages that all rule comments be submitted electronically, however, rule comments may also be submitted to:

Marijuana Enforcement Division Re: Rules 1707 Cole Boulevard, Ste. 300 Lakewood, CO 8040

Written comments will be accepted at the September 22, 2020 rulemaking hearing and up to and including **5:00 P.M. on September 22, 2020**.

3. <u>Oral Comments</u>. In her discretion, the State Licensing Authority may also afford interested parties an opportunity to make brief oral presentations at the rulemaking hearing.

The State Licensing Authority strongly encourages written comments

HEARING SCHEDULE

Date: Tuesday, September 22, 2020

Time:9:00 a.m. - 5:00 p.m. (proceedings may conclude prior to 5 p.m.)Place:Virtual - Zoom Meeting

Link to Join Zoom Meeting:

https://us02web.zoom.us/j/89669446354?pwd=Z2R6NnIJTXZwV0IsOVZ6T29Zb U9uQT09 Meeting ID: 896 6944 6354 Passcode: MED2020

Dial in Option:

+1 669 900 9128 Meeting ID: 896 6944 6354 Passcode: 7547643 Find your local number: https://us02web.zoom.us/u/kd3xQttMQZ

Instructions regarding the virtual rulemaking hearing will also be posted on the Department of Revenue's website and the Secretary of State's website. The hearing may be continued at such place and time as the State Licensing Authority may announce. The State Licensing Authority shall deliberate upon the rulemaking record including oral testimony and written submissions presented as well as applicable law. The State Licensing Authority will adopt such rules as in her judgment are justified by the rulemaking record and applicable law.

If you are an individual with a disability who needs a reasonable accommodation in order to participate in this rulemaking hearing, please contact Danielle Henry no later than September 8, 2020, at <u>Danielle.Henry@state.co.us</u>.

Dated this 14th day of August 2020.

THE COLORADO DEPARTMENT OF REVENUE, STATE LICENSING AUTHORITY, MARIJUANA ENFORCEMENT DIVISION

Heidi Humphreys (Aug 14, 2020 16:53 MDT)

Heidi Humphreys, Interim Acting Executive Director/COO State Licensing Authority Colorado Department of Revenue