

STATE OF COLORADO

DEPARTMENT OF REVENUE
State Capitol Annex
1375 Sherman Street, Room 409
Denver, Colorado 80261
Phone (303) 866-5610
Fax (303) 866-2400



John W. Hickenlooper
Governor

Barbara J. Brohl
Executive Director

Colorado Department of Revenue Marijuana Enforcement Division

Emergency New Rules Concerning:

Revised Rule, Retail Marijuana Code - Rule R 211 – Conversion – Medical Marijuana Business to Retail Marijuana Business

Statement of Emergency Justification and Adoption

Pursuant to Article 18, Subsection 16(5)(a) of the Colorado Constitution and sections 24-4-103 and 12-43.4-202, C.R.S, I, Barbara Brohl, Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt the aforementioned revised 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 that the immediate adoption of these revised Rules is necessary to comply with the statutory mandates of the Retail Marijuana Code, to comply with direction provided by the United States Department of Justice, and to preserve the public health, safety, or welfare.

Statutory Authority

The statutory authority for this rule is found at subsections 12-43.4-202(2)(b), 12-43.4-202(3)(a)(XII), 12-43.4-202(3)(b)(IX), and 12-43.4-202(4)(a) and (b) and sections 12-43.4-103, 12-43.4-104, and 12-43.4-501, C.R.S.

The specific statutory authority for the amendment to this rule includes 12-43.4-202(4)(b), C.R.S.

Purpose

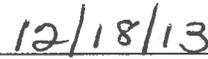
The purpose of the amendment to this rule is to establish a means by which to manage the overall production of retail marijuana. This rule is necessary to ensure there is not significant under or over production, either of which will increase incentives to engage in diversion and engage in illegal sales of marijuana. The Division intends to replace this rule with a permanent production management system in the spring or summer of 2014 after it has an opportunity to study the emerging market. These rules further the State Licensing Authority's obligation under Article 18, Subsection 16(5)(a) of the Colorado Constitution and House Bill 13-1317, to adopt and promulgate rules, respectively, to provide for the proper regulation and control of the cultivation, manufacture, distribution, sale, and testing of retail marijuana and retail marijuana products.

These emergency revised rules are consistent with the rules that were discussed during the properly-noticed public rulemaking hearing, held on November 18, 2013. These rules were developed after significant stakeholder and public participation, including working group meetings on October 15 and 16, 2013. Immediate adoption of these rules is necessary because some retail marijuana establishments will be licensed by the State Licensing Authority effective January 1, 2014, and those retail marijuana establishments must be subject to the provisions of this rule.

This emergency rule is effective immediately upon adoption. The prior version of Rule R 211, 1 CCR 212-2, is hereby repealed and replaced by the attached emergency rule. This emergency rule will remain in effect until replaced by a permanent rule, which shall be adopted soon and which shall become effective twenty days after publication of the permanent rule in accordance with section 24-4-103(5), C.R.S.



Barbara J. Brohl
Executive Director
Colorado Department of Revenue
State Licensing Authority



Date