

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



July 15, 2013

John W. Hickenlooper
Governor

Barbara J. Brohl
Executive Director

NOTICE OF RULEMAKING HEARING

The State Licensing Authority of the Colorado Department of Revenue, Marijuana Enforcement Division, will consider the promulgation of additions and amendments to its Rules and Regulations as authorized by Article XVIII, Section 16 of the Colorado Constitution, the Retail Code, sections 12-43.4-101 *et. seq.*, C.R.S., and the Medical Code, sections 12-43.3-101 *et. seq.*, C.R.S. For specific information and language concerning the proposed changes and new rules, please refer to the draft regulations which are set forth in their entirety following this notice and are also at the Colorado Department of Revenue's website at www.colorado.gov/revenue/amendment64.

STATUTORY AUTHORITY FOR RULEMAKING

The State Licensing Authority promulgates these regulations pursuant to the authority granted in the Retail Code, the Medical Code, Article XVIII, Section 16 of the Colorado Constitution, and section 24-4-103, C.R.S., of the Administrative Procedure Act.

SUBJECT OF RULEMAKING

The proposed rules are posted on the Colorado Department of Revenue's website at www.colorado.gov/revenue/amendment64. Other relevant information regarding this rulemaking also will be posted on the Department's website. In addition, the proposed rules are attached to this Notice and fully incorporated herein.

The State Licensing Authority will consider the promulgation of the following list of new rules and existing rules with major changes proposed. This list is not exhaustive. For specific information and language concerning the proposed changes, please refer to the draft regulations which are set forth in their entirety with this notice, at the Colorado Department of Revenue's website, and on the Colorado Secretary of State website. **Please take note that in addition to the subject matters addressed in the current draft proposed regulations, the State Licensing Authority may consider additional regulations consistent with any subject matter needed to implement and interpret the Retail Code, the Medical Code, and Article XVIII, Section 16 of the Colorado Constitution.**

The State Licensing Authority will conduct meetings of representative groups of participants with an interest in the subject of the rule-making (“stakeholder meetings”) beginning the week of July 15th. More information related to these meetings can be found at: www.colorado.gov/revenue/amendment64. Each stakeholder meeting will be noticed on the Department’s website at least 24 hours in advance, and the minutes and audio recordings of each stakeholder meeting will be posted after each meeting occurs. The written and recorded materials from the stakeholder meetings will be included in the rulemaking record.

The State Licensing Authority expects the draft rules will be amended during the stakeholder meeting process and that new rules may be drafted. The attached draft rules are only intended to provide interested persons with the initial drafts of the permanent rules.

RULES TO BE AMENDED OR ADOPTED PURSUANT TO THE RETAIL CODE

R 100 Series – General Applicability

R 102 – Severability

R 103 – Definitions

R 104 – Declaratory Orders Concerning the Retail Code

Other General rules may be adopted, including but not limited to, petitioning for waivers and hours of operation.

R 200 Series – Licensing

R 201 – Complete Applications Required: Retail Marijuana Establishments

R 202 – Process for Issuing a New License: Retail Marijuana Establishments

R 203 – Process for Renewing a License: Retail Marijuana Establishments

R 204 – Factors Considered When Evaluating Ownership of a License: Retail Marijuana Establishments

R 205 – Transfer of Ownership and Changes in Licensed Entities: Retail Marijuana Establishments

R 206 – Changing Location of Licensed Premise: Retail Marijuana Establishments

R 207 – Schedule of Application Fees: Retail Marijuana Establishments

R 208 – Schedule of Business License Fees: Retail Marijuana Establishments

R 209 – Schedule of Business License Renewal Fees: Retail Marijuana Establishments

R 230 - Complete Applications Required: Individuals

R 231 – Qualifications for Licensure: Individuals

R 232 - Factors Considered When Determining Residency: Individuals

R 233 - Occupational Licenses and Vendor Registrations Required

R 250 – Licensee Required to Keep Mailing Address Current with the Division: All Licensees

R 251 – Application Denial and Voluntary Withdrawal: All Licensees

Other Licensing rules for both retail marijuana establishments and individuals may be adopted, including but not limited to, renewal application fees and further restrictions on managers acting as Owners.

R 300 Series – The Licensed Premises

- R 301 – Limited Access Areas
 - R 302 – Possession of Licensed Premises
 - R 303 – Changing, Altering, or Modifying Licensed Premises
 - R 304 – Medical Marijuana Business and Retail Marijuana Establishment – Shared Licensed Premises and Operational Separation
 - R 305 – Security Alarm Systems and Lock Standards
 - R 306 - Video Surveillance
 - R 307 – Waste Disposal
- Other rules governing the licensed premises may be adopted.

R 400 Series – Retail Marijuana Store

- R 401 – Retail Marijuana Store: License Privileges
 - R 402 – Retail Marijuana Sales: General Limitations or Prohibited Acts
 - R 403 – Point of Sale: Restricted Area
 - R 404 – Acceptable Forms of Identification for Retail Sales
 - R 405 – Retail Marijuana Store: Marijuana Inventory Tracking System
 - R 406 - Health and Safety Regulations: Retail Marijuana Store
- Other rules governing Retail Marijuana Stores may be adopted, including but not limited, rules pertaining to the implementation and regulation of inventory tracking systems.

R 500 Series – Retail Marijuana Cultivation Facilities

- R 501 – Retail Marijuana Cultivation Facility: License Privileges
 - R 502 – Retail Marijuana Cultivation Facility: General Limitations or Prohibited Acts
 - R 503 – Retail Marijuana Products Cultivation: Marijuana Inventory Tracking System
 - R 504 – Health and Safety Regulations: Retail Marijuana Cultivation Facility
- Other rules governing Retail Marijuana Cultivation Facilities may be adopted, including but not limited, rules pertaining to the implementation and regulation of inventory tracking systems.

R 600 Series – Retail Marijuana Products Manufacturing Facilities

- R 601 – Retail Marijuana Products Manufacturing Facility: License Privileges
 - R 602 – Retail Marijuana Products Manufacturing: General Limitations or Prohibited Acts
 - R 603 – Retail Marijuana Products Manufacturer: Marijuana Inventory Tracking System
 - R 604 – Health and Safety Regulations: Retail Marijuana Products Manufacturing Facility
 - R 605 – Sanitary Requirements
- Other rules governing Retail Marijuana Products Manufacturing Facilities may be adopted, including but not limited, rules pertaining to the implementation and regulation of inventory tracking systems.

R 700 Series – Retail Marijuana Testing Facilities

R 701 – Retail Marijuana Testing Facility: License Privileges

R 702 –Retail Marijuana Testing Facility: General Limitations or Prohibited Acts

R 703 –Retail Marijuana Testing Facilities – Acceptable Testing and Research Practices

Other rules governing Retail Marijuana Testing Facilities may be adopted, including but not limited to, rules pertaining to certification of Retail Marijuana Testing Facilities.

R 800 Series – Transportation and Storage

R 801 – Transportation of Retail Marijuana and Retail Marijuana Products

R 802 – Off-Premises Storage of Retail Marijuana and Retail Marijuana Products

Other rules governing the transportation and storage of Retail Marijuana may be adopted.

R 900 Series – Business Records and Reporting

R 901 – Business Records Required

R 902 – Reporting and Transmittal of Taxes

R 903 – Independent Audit May Be Required

Other rules governing business records and reporting may be adopted, including but not limited to, reporting any change of manager.

R 1000 Series – Labeling, Packaging, and Products Safety

R 1001 – Packaging Requirements: General Requirements

R 1002 – Labeling Requirements: General Requirements

R 1003 – Labeling Requirements: Specific Requirements, Retail Marijuana and Retail Marijuana Products

R 1004 – Labeling Requirements: Specific Requirements, Edible Retail Marijuana Products

Other rules governing labeling, packaging, and products safety may be adopted.

R 1100 Series – Signage, Marketing, and Advertising

R 1102 – General Requirement: False and Misleading Statements

R 1110 – Signage, Marketing, and Advertising: General

Other rules governing signage, marketing, and advertising may be adopted, including but not limited to, rules regarding advertising and minors.

R 1200 Series – Enforcement

R 1201 – Duties of Officers and Employees of the State Licensing Authority

R 1202 – Requirements for Inspections and Investigations, Searches, Seizures, Forfeitures, and Such Additional Activities as May Become Necessary from Time to Time

R 1203 – Disposition of Unauthorized Retail Marijuana

Other rules governing enforcement may be adopted.

R 1300 Series – Discipline

- R 1301 – Disciplinary Process: Non-Summary Suspensions
- R 1302 – Disciplinary Process: Summary Suspensions
- R 1303 – Suspension Process: Regular and Summary Suspensions
- R 1304 – Administrative Hearings
- R 1305 – Administrative Subpoenas
- R 1306 – Administrative Hearing Appeals/Exceptions to Initial Decision
- R 1307 – Penalties

Other rules governing discipline may be adopted, including but not limited to, maintaining ongoing suitability for licensing and further penalty provisions.

R 1400 Series – Division, Local Jurisdiction, and Law Enforcement Procedures

- R 1401 – Instructions for Local Jurisdictions and Law Enforcement Officers

Other rules governing Division, local jurisdiction, and law enforcement procedures may be adopted.

Any other rules necessary to implement the Retail Code or Article XVIII, Section 16 of the Colorado Constitution.

RULES TO BE AMENDED OR ADOPTED PURSUANT TO THE MEDICAL CODE

M 100 Series – General Applicability

- M 101 – Engaging in Business
- M 102 – Severability
- M 103 – Definitions
- M 104 – Declaratory Orders Concerning the Medical Code

Other General rules may be adopted, including but not limited to, petitioning for waivers.

M 200 Series – Licensing

- M 201 – Complete Applications Required: Medical Marijuana Businesses
- M 202 – Process for Issuing a New License: Medical Marijuana Businesses
- M 203 – Process for Renewing a License: Medical Marijuana Businesses
- M 204 – Factors Considered When Evaluating Ownership of a License: Medical Marijuana Businesses
- M 205 – Transfer of Ownership and Changes in Licensed Entities: Medical Marijuana Businesses
- M 206 – Changing Location of the Licensed Premises: Medical Marijuana Businesses
- M 207 – Schedule of Application Fees: Medical Marijuana Businesses
- M 208 – Schedule of Business License Fees: Medical Marijuana Businesses
- M 209 – Schedule of Business License Renewal Fees: Medical Marijuana Businesses
- M 230 – Complete Applications Required: Individuals
- M 231 – Qualifications for Licensure: Individuals
- M 232 – Factors Considered When Determining Residency: Individuals
- M 233 – Occupational Licenses and Vendor Registrations Required

- M 234 – Schedule of Application Fees: Individuals
 - M 235 – Schedule of License Fees: Individuals
 - M 236 – Schedule of Renewal Fees: Individuals
 - M 250 – Licensee Required to Keep Mailing Address Current with the Division: All Licensees
 - M 251 – Application Denial and Voluntary Withdrawal: All Licensees
- Other Licensing rules for both Medical Marijuana Businesses and individuals may be adopted, including but not limited to, renewal application fees, and further restrictions on managers acting as Owners.

M 300 Series – The Licensed Premises

- M 301 – Limited Access Areas
 - M 302 – Possession of Licensed Premises
 - M 303 – Changing, Altering, or Modifying Licensed Premises
 - M 304 – Medical Marijuana Business and Retail Marijuana Establishment – Shared Licensed Premises and Operational Separation
 - M 305 – Security Alarm Systems and Lock Standards
 - M 306 - Video Surveillance
 - M 307 – Waste Disposal
- Other rules governing the licensed premises may be adopted.

M 400 Series – Medical Marijuana Center

- M 401 – Medical Marijuana Center: License Privileges
 - M 402 – Registration of a Primary Medical Marijuana Center
 - M 403 – Medical Marijuana Sales: General Limitations or Prohibited Acts
 - M 404 – Point of Sale: Restricted Area
 - M 405 – Acceptable Forms of Identification for Medical Sales
 - M 406 – Medical Marijuana Center: Marijuana Inventory Tracking System
 - M 407 - Health and Safety Regulations: Medical Marijuana Center
- Other rules governing Medical Marijuana Centers may be adopted.

M 500 Series – Optional Premises Cultivation Operation Facilities

- M 501 – Optional Premises Cultivation Operation: License Privileges
 - M 502 – Optional Premises Cultivation Operation: General Limitations or Prohibited Acts
 - M 503 – Optional Premises Cultivation Operation: Marijuana Inventory Tracking System
 - M 504 – Health and Safety Regulations: Optional Premises Cultivation Operation
- Other rules governing Optional Premises Cultivation Operation Facilities may be adopted.

M 600 Series – Medical Marijuana-Infused Products Manufacturers

- M 601 – Medical Marijuana-Infused Products Manufacturing Facility: License Privileges
- M 602 – Medical Marijuana-Infused Products Manufacturing Facility: General Limitations or Prohibited Acts (Infused Products Contracts)

M 603 – Medical Marijuana-Infused Products Manufacturing Facility: Marijuana Inventory Tracking System

M 604 – Health and Safety Regulations: Medical Marijuana-Infused Products Manufacturing Facility

M 605 – Sanitary Requirements: Medical Marijuana-Infused Products Manufacturing Facility

Other rules governing Medical Marijuana-Infused Products Manufacturers may be adopted.

M 700 Series – Independent Medical Marijuana Laboratories

M 701 – Division May Contract with Independent Medical Marijuana Laboratories

Other rules governing Medical Marijuana Laboratories may be adopted.

M 800 Series – Transportation and Storage

M 801 – Transportation of Medical Marijuana and Medical Marijuana-Infused Products

M 802 – Off-Premises Storage of Medical Marijuana and Medical Marijuana-Infused Products

Other rules governing transportation and storage of Medical Marijuana and Medical Marijuana-Infused Products may be adopted.

M 900 Series – Business Records and Reporting

M 901 – Business Records Required

M 902 – Reporting and Transmittal of Taxes

Other rules governing business records and reporting may be adopted.

M 1000 Series – Labeling, Packaging, and Products Safety

M 1001 – Packaging Requirements: General Requirements

M 1002 – Labeling Requirements: General Requirements

M 1003 – Labeling Requirements: Specific Requirements, Medical Marijuana and Medical Marijuana-Infused Products

M 1004 – Labeling Requirements: Specific Requirements, Medical Marijuana-Infused Products

Other rules governing labeling, packaging, and products safety may be adopted.

1100 Series - Signage, Marketing, and Advertising

M 1101 – General Requirement: False and Misleading Statements

Other rules governing signage, marketing, and advertising may be adopted.

M 1300 Series – Discipline

M 1301 – Disciplinary Process: Non-Summary Suspensions

M 1302 – Disciplinary Process: Summary Suspensions

M 1303 – Suspension Process: Regular and Summary Suspension

M 1304 – Administrative Hearings

M 1305 – Administrative Subpoenas

M 1306 – Administrative Hearing Appeals/Exceptions to Initial Decision

M 1307 – Penalties

Other rules governing discipline may be adopted.

M 1400 Series – Division, Local Jurisdiction, and Law Enforcement Procedures

M 1401 – Instructions for Local Jurisdictions and Law Enforcement Officers

M 1402 - Division Inspectors and Supervisors

Other rules governing Division, local jurisdiction, and law enforcement procedures may be adopted.

Any other rules necessary to implement the Medical Code.

RULEMAKING RECORD AND PUBLIC PARTICIPATION

1. Official Rulemaking Record. The official record for purposes of the rulemaking hearing on August 20-22, 2013 will include the written and recorded materials from the stakeholder meetings and any written comments or oral testimony submitted or presented.
2. Written Comments. The State Licensing Authority encourages interested parties to submit written comments on the proposed rules, including alternate proposals, by August 15, 2013, so that the State Licensing Authority can review comments prior to the rulemaking hearing. Written comments will also be accepted after that date, until the rulemaking record is closed following the hearing.

The State Licensing Authority will accept all written comments but strongly encourages written comments to be submitted on Form DR 2477. A copy of the form is attached to this notice. The form may also be found at

<http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251837618799&ssbinary=true> .

Please print, complete and save Form DR 2477 as a separate document and then submit the Form via e-mail. Written comments and completed Forms DR 2477 may be emailed to: DOR_RuleForm@state.co.us. In addition, you may submit completed Forms DR 2477 to:

Colorado Department of Revenue
Marijuana Enforcement Division
Attn: Mia Tsuchimoto - Rulemaking Public Comments
1375 Sherman Street, 4th Floor
Denver, CO 80261

Written comments will be accepted at the rulemaking hearing.

3. Oral Comments. In its 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 ***

If allowed, oral presentations will likely be limited to two minutes or less per person. Individuals will not be allowed to cede their time to another person (for instance, one person speaking on behalf of five people will not be given ten minutes to speak). Organized groups of individuals are urged to identify one spokesperson and to be concise. The State Licensing Authority encourages interested parties to avoid duplicating previously-submitted material and testimony.

HEARING SCHEDULE

Date: August 20 – August 22, 2013
Time: 9:00 a.m. – 5:00 p.m.
Place: Old Supreme Court Chambers
State Capitol Building, Room 220
200 E. Colfax Ave., Denver, CO, 80203

Location of the 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 shall deliberate upon the evidence, testimony and written submissions presented at this hearing, as well as any related matters properly submitted before the hearing record is closed. Pursuant to said hearing, in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the State Licensing Authority will adopt such rules and regulations as in its judgment the record may justify.

If you are an individual with a disability who needs a reasonable accommodation in order to participate in this rulemaking hearing, please contact Jordan Wellington at Jordan.Wellington@state.co.us no later than August 15, 2013 of your request.

Dated this 15th day of July, 2013.

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



Barbara J. Brohl, State Licensing Authority
Colorado Department of Revenue



Colorado Department of Revenue Suggested Revision to Rules and Regulations

This form is provided to suggest rule changes to the Divisions of the Department of Revenue
This form must be completed in its entirety, prior to submission for consideration by the Division.

Last Name		First Name	
Company/Organization		Job Title	
Date	Contact Phone Number	Email Address	
<input type="checkbox"/> Check if interested in being added to rule distribution lists			
Check which division rules you are addressing (check applicable division)			
<input type="checkbox"/> Auto Industry	<input type="checkbox"/> Lottery	<input type="checkbox"/> Racing Events	
<input type="checkbox"/> Gaming	<input type="checkbox"/> Medical Marijuana	<input type="checkbox"/> Taxation	
<input type="checkbox"/> Hearings	<input type="checkbox"/> Marijuana	<input type="checkbox"/> Unknown/Other	
<input type="checkbox"/> Liquor/Tobacco Enforcement	<input type="checkbox"/> Motor Vehicle		
Rule Name and/or Rule Number		Section and Page Number of Rule	

Suggest wording for existing rule:

For Department Use Only	
Tracking #	

Colorado Department of Revenue Suggested Revision to Rules and Regulations



This form is provided to suggest rule changes to the Divisions of the Department of Revenue
This form must be completed in its entirety, prior to submission for consideration by the Division.

Basic justification for suggested change:

Large empty rectangular box for providing basic justification for the suggested change.

Examples when the current rule caused a problem/confusion:

Please provide real life examples

Large empty rectangular box for providing examples when the current rule caused a problem or confusion.

For Department Use Only

Tracking #

Colorado Department of Revenue Suggested Revision to Rules and Regulations



This form is provided to suggest rule changes to the Divisions of the Department of Revenue
This form must be completed in its entirety, prior to submission for consideration by the Division.

Explain how the change would affect/benefit the industry:

Explain how the change would affect/benefit the Division impacted:

For Department Use Only

Tracking #

Colorado Department of Revenue Suggested Revision to Rules and Regulations



This form is provided to suggest rule changes to the Divisions of the Department of Revenue
This form must be completed in its entirety, prior to submission for consideration by the Division.

Explain how the change would affect/benefit the public:

ex: making the rules easier to understand, increasing efficiency/ effectiveness, fairness, etc.

List any documents you have to support the proposed rule change:

You will be notified via email or mail once a disposition has been determined by the Division. If email is not available please complete contact information below:

Mailing Address

Street Address	City	State	Zip
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Please return this request by email to: dor_ruleform@state.co.us or by mailing the request to the following address:

Colorado Department of Revenue
Executive Director's Office
RE: Rules
1375 Sherman Street, Room 409
Denver, Colorado 80261

For Department Use Only

Tracking #

Colorado Department of Revenue Suggested Revision to Rules and Regulations



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This form must be completed in its entirety, prior to submission for consideration by the Division.

For Division Use Only

Reviewer Name	Reviewer Title	Date Reviewed

Disposition:

- To be submitted for consideration of rule change
- Denied (i.e. conflicts with state statute, exceeds funding or resources limits, needs additional clarification or justification, etc.) *See comments*

Comments:

For Department Use Only

Tracking #