

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 Colorado Marijuana Rules ("Rules"), as authorized by Article XVIII, Section 16 of the Colorado Constitution and the Colorado Marijuana Code, section 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 <u>initial proposed rules</u>, which are also available on the <u>Division's website</u> in addition to details regarding the initial proposed rules, public meetings, and opportunities for public comment.

STATUTORY AUTHORITY FOR RULEMAKING

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

SUBJECT OF RULEMAKING

Pursuant to section 24-4-103(2), C.R.S., the Division initiated three (3) public meetings of representative groups of participants with an interest in the subject of the rulemaking ("stakeholder meetings"), which began July 15, 2022 and concluded August 12, 2022. More information related to these meetings can be found on the Division's website, including meeting agendas, proposed rule revisions, and meeting recordings. Each stakeholder meeting was noticed on the Division's website and the Division sent notification of the meetings to licensees and other stakeholders subscribed to receive updates from the Division. Each stakeholder meeting was open to any member of the public and any attendee was given the opportunity to comment on the specific proposed rule revisions, or any other rule that stakeholders were interested in seeing revisions to. The written and recorded materials from each stakeholder meeting is available on the Division's website and will also be included in the rulemaking record. Initial proposed rules were prepared in conjunction with each of the stakeholder meetings and are 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 and any supporting documentation

submitted by the public and based on the Division's internal review. Additional or new rules may also be added.

The Division intends to recommend to the State Licensing Authority for his consideration the promulgation of new and amended rules on the subjects outlined below. This list includes implementing legislation passed during the 2022 legislative session (allowing changes in designation of Medical Marijuana to Retail Marijuana, allowing Medical Marijuana and Retail Marijuana Transporters to change ownership like all other Regulated Marijuana Business licenses, updating the responsible vendor designation rules, and clarifying the ability for Medical Marijuana Businesses and Retail Marijuana Businesses to share a licensed premises); stakeholder recommendations from the Science & Policy Work Group (a stakeholder forum established in 2018 by the Division in collaboration with the Colorado Department of Public Health and Environment); revising and clarifying prior rules; and addressing any other subject matter necessary to implement, interpret, and effectively administer and enforce the 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 an 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, presentations on proposed rules to implement legislative changes adopted during the 2022 legislative session.

The initial proposed rules will be published on the Division's website on September 1, 2022 and the final proposed rules will be published on the Division's website on September 26, 2022. Other relevant information regarding this rulemaking also will be posted on the Division's website.

RULES TO REPEALED

2-245(D)(6)	Change of Owner Requirements, Restrictions and Procedures Applicable to All Regulated Marijuana Businesses
2-260(A)(1)	Changing, Altering, Modifying Licensed Premises-Emergency Exemption
2-265(A)	Owner and Employee License: License Requirements, Applications, Qualifications, and Privileges

3-220(A)(5)(c) Security Alarm Systems and Lock Standards

4-125(H)(1)(c) Events Requiring Re-Authorization for a Reduced Testing Allowance -Potency and Homogeneity - Regulated Marijuana Product

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 2022 legislation, including House Bill 22-1037, House Bill 22-1135, House Bill 22-1222, Senate Bill 22-178, and amendments related to existing rules. These rules will address the following subjects:

Part 1 - GENERAL APPLICABILITY

Rule 1-115 – Definitions

Part 2 - APPLICATION AND LICENSES

Rule 2-215 – All Applications Requirements

2-225- Renewal Application Requirements for All Licensees

2-235- Suitability

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

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

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

2-270- Application Denial and Voluntary Withdrawal

Part 3 – REGULATED MARIJUANA BUSINESS OPERATIONS

Rule 3-205- Limited Access Areas

3-230- Waste Disposal

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

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

3-405- Identification

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

3-615- Regulated Marijuana Delivery Permits

- 3-905- Business Records Required
- 3-920- Regulated Marijuana Business Reporting Requirements
- 3-1005- Packaging and Labeling: Minimum Requirements Prior to Transfer to a Regulated Marijuana Business, except to a Regulated Marijuana Testing Facility
- 3-1010-Packaging and Labeling: General Requirements Prior to Transfer to a Patient or Consumer

Part 4 - REGULATED MARIJUANA TESTING PROGRAM

- Rule 4-105- Regulated Marijuana Testing Program: Mandatory Testing
- 4-115- Regulated Marijuana Testing Program: Sampling and Testing Program
- 4-120- Regulated Marijuana Testing Program: Contaminant Testing
- 4-121- Regulated Marijuana Testing Program: Wet Whole Plant Contaminant Testing
- 4-125- Regulated Marijuana Testing Program: Potency Testing

Part 5 - MEDICAL MARIJUANA BUSINESS LICENSE TYPES

- Rule 5-110- Registration of a Primary Medical Marijuana Store
- 5-115- Medical Marijuana Sales: General Limitations or Prohibited Acts
- 5-125- Patient Sale Requirements
- 5-205- Medical Marijuana Cultivation Facility: License Privileges
- 5-235- Medical Marijuana Cultivation Facility: Ability to Change Designation of Regulated Marijuana
- 5-305- Medical Marijuana Products Manufacturer: License Privileges
- 5-315- Medical Marijuana Products Manufacturer: Medical Marijuana Concentrate Production
- 5-335- Medical Marijuana Products Manufacturer: Ability to Change Designation from Retail Marijuana Concentrate to Medical Marijuana Concentrate.
- 5-405- Medical Marijuana Testing Facilities: License Privileges
- 5-410- Medical Marijuana Testing Facilities: General Limitations or Prohibited Acts

- 5-420- Medical Marijuana Testing Facilities: Personnel
- 5-425- Medical Marijuana Testing Facilities: Standard Operating Procedure Manual
- 5-430- Medical Marijuana Testing Facilities: Analytical Processes
- 5-435- Medical Marijuana Testing Facilities: Proficiency Testing
- 5-440- Medical Marijuana Testing Facilities: Quality Assurance and Quality Control
- 5-445- Medical Marijuana Testing Facilities: Chain of Custody
- 5-450- Medical Marijuana Testing Facilities: Records Retention
- 5-460- Medical Marijuana Testing Facilities: Certification Suspension, Recertification, and Request for Hearing
- 5-505- Medical Marijuana Transporter: License Privileges
- 5-510- Medical Marijuana Transporter: General Limitations or Prohibited Acts
- 5-620- Medical Marijuana Business Operators: Business Records Required

Part 6 – RETAIL MARIJUANA BUSINESS LICENSE TYPES

- Rule 6-110- Retail Marijuana Sales: General Limitations or Prohibited Acts
- 6-205- Retail Marijuana Cultivation Facility: License Privileges
- 6-230- Retail Marijuana Cultivation Facility: Ability to Change Designation of Regulated Marijuana
- 6-305- Retail Marijuana Products Manufacturer: License Privileges
- 6-315- Retail Marijuana Products Manufacturer: Retail Marijuana Concentrate Production
- 6-335- Retail Marijuana Products Manufacturer: Ability to Change Designation from Retail Marijuana Concentrate to Medical Marijuana Concentrate
- 6-405- Retail Marijuana Testing Facilities: License Privileges
- 6-410- Retail Marijuana Testing Facilities: General Limitations or Prohibited Acts
- 6-420- Retail Marijuana Testing Facilities: Personnel
- 6-425- Retail Marijuana Testing Facilities: Standard Operating Procedure Manual

- 6-430- Retail Marijuana Testing Facilities: Analytical Processes
- 6-435- Retail Marijuana Testing Facilities: Proficiency Testing
- 6-440- Retail Marijuana Testing Facilities: Quality Assurance and Quality Control
- 6-445- Retail Marijuana Testing Facilities: Chain of Custody
- 6-450- Retail Marijuana Testing Facilities: Records Retention
- 6-460- Retail Marijuana Testing Facilities: Certification Suspension, Recertification, and Request for Hearing
- 6-505- Retail Marijuana Transporter: License Privileges
- 6-510- Retail Marijuana Transporter: General Limitations or Prohibited Acts
- 6-620- Retail Marijuana Business Operators: Business Records Required
- 6-705- Accelerator Cultivator: License Privileges
- 6-730- Accelerator Cultivator: Ability to Change Designation of Regulated Marijuana Medical Marijuana
- 6-830- Accelerator Manufacturer: Ability to Change Designation from Retail Marijuana Concentrate to Medical Marijuana Concentrate
- 6-905- Licensed Hospitality Businesses: General Provisions
- 6-940- Marijuana Hospitality Business: Requirements for Mobile Premises
- 6-1110- Accelerator Store: General Limitations or Prohibited Acts

Part 8 - ENFORCEMENT AND DISCIPLINE

- 8-205- Disciplinary Process: Non-Summary Suspensions
- 8-215- Suspension Process: Regular and Summary Suspensions
- 8-220- Administrative Hearings
- 8-235- Penalties

STATEMENTS OF BASIS AND PURPOSE

For the Marijuana Rules at 1 CCR 212-3, including but not limited to the following:

2-245, 3-215, 3-225, 3-310, 3-505, 3-610, 5-100, 5-205, 5-235, 5-305, 5-335, 5-405 5-460, 5-505, 6-105, 6-205, 6-230, 6-305, 6-335, 6-405, 6-460, 6-505, 6-730, 6-830

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 this rulemaking proceeding and permanent rulemaking hearing, to be held on **September 30, 2022**, 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 Division and State Licensing Authority encourage interested parties to submit written comments on the proposed rules, including alternate proposals, by **September 15, 2022**, which will allow the Division and State Licensing Authority to review comments prior to the rulemaking hearing. However, written comments will also be accepted after that date. **The deadline to submit written comments is 5:00 P.M. on September 30, 2022**.

The State Licensing Authority will accept all written comments, but strongly encourages written comments to be submitted on the <u>Marijuana Enforcement Division Suggested Revision to Rules Form</u>. The State Licensing Authority strongly encourages that all rule comments be submitted electronically, however, completed written comments may also be submitted to:

Marijuana Enforcement Division Re: Rules 1697 Cole Boulevard, Ste. 200 Lakewood, CO 80401

3. <u>Oral Comments</u>. The State Licensing Authority may afford interested parties an opportunity to make brief oral presentations at the rulemaking hearing. Oral presentations will likely be limited to three minutes or less per person.

HEARING SCHEDULE

Date: Friday, September 30, 2022

Time: 9:00 a.m. - 5:00 p.m.

* Please note the rulemaking hearing may conclude prior to 5:00 p.m.

Place: Virtual Zoom Meeting

Join Zoom Meeting

https://us02web.zoom.us/j/85061292185

Meeting ID: 850 6129 2185

DOR MED Notice of Rule Hearing

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Additional information regarding the rule hearing will be published on the Division's website. The hearing may be continued at such place and time as the State Licensing Authority may announce. The State Licensing Authority will deliberate upon the rulemaking record, including oral testimony and written comments, presented as well as applicable law. The State Licensing Authority will adopt such rules as in his 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 at Danielle.Henry@state.co.us or (303) 866-2779.

Dated this 31st day of August, 2022.

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

Mark Ferrandino, Executive Director/CEO State Licensing Authority Colorado Department of Revenue