



**COLORADO**  
Department of Revenue  
Enforcement Division - Marijuana  
455 Sherman Street, Suite 390  
Denver, CO 80203

April 29, 2016

**SENT VIA E-MAIL to:** [REDACTED]

Staycon, LLC  
Attn.: Scott Reimann

RE: Response to Request for Position Statement—MIP to MIP transfers

Dear Mr. Reimann:

This letter is in response to your request for a Statement of Position pursuant to Rule M 104(A), 1 CCR 212-1, received February 11, 2016.

You have asked for a statement of position as to “whether commonly owned MIPs can transfer product/concentrates between themselves.” A Medical Marijuana-Infused Product Manufacturer (“MIP”) is defined in subsection 12-43.3-104(10), C.R.S. Under this definition, a MIP “means a person licensed pursuant to [the Medical Code] to operate a business as described in section 12-43.3-404,” C.R.S.

**Division’s Response:**

The Colorado Medical Marijuana Code, sections 12-43.3-101 et seq., C.R.S. (“Medical Code”) and the rules promulgated pursuant to the Medical Code do not permit direct transfers of Medical Marijuana or Medical-Marijuana Infused Product from one Medical Marijuana-Infused Product Manufacturer (“MIP”) to another MIP. Medical Marijuana-Infused Product means a product infused with Medical Marijuana that is intended for use or consumption other than by smoking, including but not limited to edible products, ointments, and tinctures, which includes Medical Marijuana-Infused Product in concentrate form. *See* § 12-43.3-104(9), C.R.S., and Rules M 103 and 601(D), 1 CCR 212-1.

Section 12-43.3-404, C.R.S., governs transfers to or from MIPs. Subsection (1)(b) provides that a MIP “shall track all of its Medical Marijuana from the point it is either transferred from its Medical Marijuana Optional Premises Cultivation Facility or the point when it is delivered to the Medical Marijuana-Infused Products Manufacturer from a licensed Medical Marijuana Center or a Licensed Medical Marijuana Optional Premises Cultivation Facility *to the point of transfer to a licensed Medical Marijuana Center.*” § 12.43.3-404(1)(b), C.R.S. (emphasis added). The statute clearly restricts acquisition of product by MIPs, by noting that they will receive medical marijuana from either an optional premises cultivation facility or a licensed medical marijuana center. The statute does not allow MIPs to receive medical marijuana from another MIP. Transfers to entities other than a licensed medical marijuana center are not permitted by this provision.

Additionally, under section 12-43.3-404(3), C.R.S., a MIP licensee “may sell its products to any licensed medical marijuana center.” The statute does not allow an MIP to sell or transfer to any other type of entity. Consistent with the statutory provisions, Rule M 601(C), 1 CCR 212-2, provides, “A Medical Marijuana-Infused Products Manufacturer may only sell its own Medical Marijuana-Infused Product to Medical Marijuana Centers.” Thus, neither statute nor rule permits sales or transfers between two MIPs. Because transfers between MIPs are not allowed, they are unauthorized. *See* Rule M 601(A) (“A [MIP] shall *only* exercise those privileges granted to it by the State Licensing Authority.”) (emphasis added).

It is the Division’s position that a MIP may only transfer or sell Medical Marijuana-Infused Product, as defined in subsection 12-43.3-104(9), C.R.S., and Rules M 103 and 601(D), 1 CCR 212-1, to Medical Marijuana Centers. Therefore, MIPs are prohibited from transferring Medical Marijuana or Medical Marijuana-Infused Product to other MIPs.

Thank you for your inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read "James Burack", written in a cursive style.

James Burack, Director |