

Medical Marijuana Enforcement Division Program Overview

Legislative History:

HB 10-1284 – Concerning the Regulation of Medical Marijuana. Unlawful to cultivate, manufacture, distribute, or sell medical marijuana except in compliance with the terms, conditions, limitations, and restrictions in section 14 of article XVIII of the state constitution (Amendment 20) and article 43.3 of title 12, or when acting as a primary caregiver in compliance with section 25-1.5-106, C.R.S. Creates the Medical Marijuana Enforcement Division.

HB 11-1043 – “Clean up” bill. Established a moratorium on new business license applications until July 1, 2012.

Businesses Allowed to Operate

If medical marijuana businesses engaged in business, as of July 1, 2010, filed an application with both the local and state licensing authorities by August 1, 2010, the medical marijuana business would be allowed to continue operating until final agency action by the licensing authorities. Businesses were required to meet other deadlines, such as verifying, by September 1, 2010, that they were cultivating at least 70% of the medical marijuana to be used in the business.

Dual Licensing Authority

HB 10-1284 established a local and state licensing authority (“dual licensing authority”) to create licensing requirements and procedures for the following classes of license:

- Medical Marijuana Center License
- Optional Premises Cultivation License
- Medical Marijuana-Infused Products Manufacturer

The state licensing authority may issue Occupational Licenses or Registrations to persons owning, working in or for, or having access to, limited access areas in licensed premises. An extensive criminal background check of applicants is required.

Local approval and issuance of a local license is required before a state license may be issued. Local licensing authorities may assess their own licensing fees, separate from those assessed by the state licensing authority.

All fees collected by the state licensing authority are transmitted to the state treasurer and credited to the Medical Marijuana License cash fund. This fund is separate and distinct from the Medical Marijuana Program Cash fund, which is subject to the provisions of article 1.5 of title 25, C.R.S. (Dept of Public Health).

Vertical integration

A Medical Marijuana Center may sell only the medical marijuana grown in its optional premises licensed cultivation.

An infused products manufacturer may contract with a medical marijuana center for the purchase of medical marijuana used in infused products. The manufacturer may also grow its own medical marijuana in its associated optional premises cultivation.

Each Optional Premises Cultivation must be associated with a medical marijuana center or infused product manufacturer.

Sales Restrictions and Labeling Requirements

Medical Marijuana Centers are authorized to sell medical marijuana to patients with a valid patient registry card and valid photo identification. Centers may possess no more 2 oz of medical marijuana and no more than six plants per patient designating the center as the patient's primary center.

All medical marijuana sold by a center must be labeled with a list of the chemical additives that were used in cultivation and production,

The labeling of medical marijuana-infused products is of statewide concern, and products shall be sealed and labeled in accordance with rules promulgated by the state licensing authority.

Enforcement/Inspections

The enforcement jurisdiction of the state licensing authority does not extend to primary caregivers, patients, or physicians.

The state licensing authority completes a final pre-licensing inspection of business applicants upon local approval. The inspection verifies that the business is in compliance with the law and related regulations to ensure continued compliance.

The division conducts other compliance inspections, at random, and investigations of complaints.

Medical Marijuana Rules and Regulations

An extensive set of rule were promulgated and effective July 1, 2011. The division is proposing an comprehensive rule review and rewrite in 2013 that will provide clear requirements and a more efficient means of regulation.