COLORADO
Department of Revenue
Enforcement Division - Marijuana

April 3, 2015

Industry-Wide Bulletin 15-03

RE: Licensee Participation in Off-Premises Cannabis Events, Trade Shows and Festivals

Dear Colorado Marijuana Industry Members:

As the operator of a medical marijuana business and/or retail marijuana establishment, you hold a privileged license issued by the State Licensing Authority. Your facility must be operated strictly within the law set forth by the Colorado Constitution, Colorado Revised Statutes (C.R.S.) and the Colorado Code of Regulations. The Marijuana Enforcement Division (MED) is responsible for ensuring licensees fully comply with these laws.

While licensees may be aware of the legal requirements ***on*** the licensed premises, high profile cannabis events, trade shows, industry marketing, and festivals around the state generate a number of inquiries to MED about what business or establishment-related activity may be permissible ***off*** the licensed premises.

Typically those inquiries focus on whether an owner or their employees may transport Medical Marijuana or Retail Marijuana flower or products from licensed premises to such events for marketing and promotional purposes (e.g. for display, providing samples, competitions, sale or donation, etc.). Statute clearly mandates that marijuana produced within the regulated system must remain in the closed system (and only transported between MED licensed premises) until final sale to a patient or customer, and may not be consumed within any licensed premises. *No owner or employee may enjoy the privileges provided by a MED business license (the ability to lawfully cultivate, process and sell marijuana within the state of Colorado) at any off-premises site.*

Medical or Retail Marijuana licensee owners or employees should not use personally purchased flower or product as a means to avoid the intent of the statute and regulation prohibiting off-premises display and sale of marijuana.

Colorado statute and rule does not preclude a MED licensee from participating at an event, trade show or festival off-premises, in order to distribute coupons, display graphics or hand out printed material. But in order to diminish the

potential for improper conduct at an event or festival, Colorado licensees are strongly encouraged to locate any booth or exhibit table in an area away from and separated from any area designated for consumption of marijuana. Similarly, licensees are encouraged to avoid any participation in which the licensee might appear to be facilitating potentially illegal conduct.

- Pursuant to C.R.S. § 12-43.3-901(2)(a), , and C.R.S. § 12-43.4-901(2), it is unlawful for a person to buy, sell, transfer, give away, or acquire medical marijuana, retail marijuana, or retail marijuana products except as allowed pursuant to these articles or Section 16 of article XVIII of the state constitution.

Conduct outside the protections of the licensed and regulated market under C.R.S. Title 12, or authorized under Amendments 20 or 64, may trigger criminal liability under C.R.S. Title 18, to include:

- C.R.S. § 18-18-406 Unlawful dispensing, sale, and distribution of marijuana or marijuana concentrate.

MED will continue to work with Colorado licensees to promote a strong and legitimate regulatory framework for the Colorado marijuana industry. MED will hold both business and individual marijuana licensees responsible for violations of state statutes and regulations. Failure to abide by the statutes and regulations may result in a range of sanctions, up to and including the suspension or revocation of marijuana business or occupational licenses in addition to possible criminal charges and penalties.

If you have any questions or suggestions please contact Investigator Victor Ross, Field Enforcement Section, Denver Office, at victor.ross@state.co.us, or (303) 866-3313. Thanks for your understanding, support and cooperation.

Regards,

Lewis Koski

Lewis Koski
Director
Marijuana Enforcement Division