

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0448.01 Michael Dohr x4347

SENATE BILL 17-063

SENATE SPONSORSHIP

Marble,

HOUSE SPONSORSHIP

Melton,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING LICENSING MARIJUANA CONSUMPTION CLUBS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

The bill creates a marijuana consumption club (club) license. The license is subject to the same licensing requirements as other retail marijuana licenses. The license may be issued to a person who operates an establishment where retail or medical marijuana may be sold and consumed. The club's sales are limited to the same limits as a retail marijuana store or a medical marijuana center. The club may not serve food prepared on site or alcohol. Entry to the club is restricted to those persons at least 21 years of age. A club shall purchase its marijuana,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

marijuana concentrate, or marijuana products from a licensed marijuana business or get a cultivation license and sell its own marijuana. A club may not permit outside marijuana, marijuana concentrate, or marijuana products. All marijuana, marijuana concentrate, or marijuana products must be consumed or disposed of on site. A club and its employees shall successfully complete a responsible vendor program annually. A club has the same immunity to a lawsuit for an injury caused by a club patron that a bar enjoys.

The bill allows a local government to permit clubs in its jurisdiction. If a local government permits clubs, it may require the clubs to be licensed. In order to operate as a club, the club must comply with the local and state licensing regulations. A club is exempt from the "Colorado Clean Indoor Air Act" for marijuana consumption purposes if it is fully ventilated. Public display, consumption, or use in a club is not a criminal offense.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 12-43.4-313 as
3 follows:

4 **12-43.4-313. Local authority to regulate marijuana**
5 **consumption clubs.** (1) A MUNICIPALITY, COUNTY, CITY, OR CITY AND
6 COUNTY MUST AUTHORIZE THE OPERATION OF MARIJUANA CONSUMPTION
7 CLUBS WITHIN ITS JURISDICTION IF EITHER A MAJORITY OF THE REGISTERED
8 ELECTORS OF THE MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY
9 VOTE TO AUTHORIZE A MARIJUANA CONSUMPTION CLUB AT A REGULAR
10 ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE
11 "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE
12 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF
13 TITLE 1, AS APPLICABLE; OR A MAJORITY OF THE MEMBERS OF THE
14 GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, CITY, OR CITY AND
15 COUNTY VOTE TO AUTHORIZE A MARIJUANA CONSUMPTION CLUB.

16 (2) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY
17 AUTHORIZES THE OPERATION OF A MARIJUANA CONSUMPTION CLUB, IT

1 SHALL ADOPT AN APPROVAL REQUIREMENT OR LICENSING REQUIREMENT
2 THAT COMPLIES WITH THE REQUIREMENTS OF THIS ARTICLE 43.4. THE
3 MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY MAY REQUIRE
4 ADDITIONAL OR MORE STRINGENT REQUIREMENTS THAN THIS SECTION.

5 (3) A MARIJUANA CONSUMPTION CLUB SHALL NOT OPERATE UNTIL
6 IT HAS SATISFIED THE STATE AND LOCAL REQUIREMENTS FOR LICENSURE
7 OR APPROVAL; EXCEPT THAT A MARIJUANA CONSUMPTION CLUB IN
8 OPERATION ON THE EFFECTIVE DATE OF THIS SECTION MAY CONTINUE TO
9 OPERATE AS LONG AS IT HAS FILED AN APPLICATION FOR LICENSURE OR
10 APPROVAL WITH THE STATE AND LOCAL GOVERNMENT AND HAS NOT BEEN
11 DENIED LICENSURE OR APPROVAL BY THE STATE LICENSING AUTHORITY OR
12 LOCAL GOVERNMENT.

13 **SECTION 2.** In Colorado Revised Statutes, 12-43.4-401, **amend**
14 (1) introductory portion, (1)(f), and (1)(g); and **add** (1)(h) as follows:

15 **12-43.4-401. Classes of licenses.** (1) For the purpose of
16 regulating the cultivation, manufacture, distribution, sale, and testing of
17 retail marijuana and retail marijuana products, the state licensing
18 authority in its discretion, upon receipt of an application in the prescribed
19 form, may issue and grant to the applicant a license from any of the
20 following classes, subject to the provisions and restrictions provided by
21 this ~~article~~ ARTICLE 43.4:

- 22 (f) Retail marijuana transporter license; ~~and~~
- 23 (g) Retail marijuana business operator license; AND
- 24 (h) MARIJUANA CONSUMPTION CLUB LICENSE.

25 **SECTION 3.** In Colorado Revised Statutes, **add** 12-43.4-408 as
26 follows:

27 **12-43.4-408. Marijuana consumption club license.** (1) (a) A

1 MARIJUANA CONSUMPTION CLUB LICENSE MAY ONLY BE ISSUED TO A
2 PERSON OPERATING AN ESTABLISHMENT THAT ALLOWS PERSONS TO
3 PURCHASE AND CONSUME RETAIL OR MEDICAL MARIJUANA ON SITE.

4 (b) A MARIJUANA CONSUMPTION CLUB MAY SELL NO MORE RETAIL
5 MARIJUANA OR MEDICAL MARIJUANA, RETAIL MARIJUANA CONCENTRATE
6 OR MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA-INFUSED
7 PRODUCTS, OR RETAIL MARIJUANA PRODUCTS AT A TIME THAN IS
8 PERMITTED FOR SALE BY A RETAIL MARIJUANA STORE OR MEDICAL
9 MARIJUANA CENTER.

10 (c) ALL RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL
11 MARIJUANA CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR
12 RETAIL MARIJUANA PRODUCTS MUST BE CONSUMED, SOLD, AND DISPOSED
13 OF ON SITE. A MARIJUANA CONSUMPTION CLUB MAY OFFER STORAGE TO
14 PERSONS TO STORE RETAIL OR MEDICAL MARIJUANA CONCENTRATE, A
15 MEDICAL MARIJUANA-INFUSED PRODUCT, A RETAIL MARIJUANA PRODUCT
16 PURCHASED ON SITE, OR MARIJUANA ACCESSORIES. RETAIL OR MEDICAL
17 MARIJUANA, RETAIL OR MEDICAL MARIJUANA CONCENTRATE, MEDICAL
18 MARIJUANA-INFUSED PRODUCTS, OR RETAIL MARIJUANA PRODUCTS SHALL
19 NOT BE BROUGHT INTO THE MARIJUANA CONSUMPTION CLUB BY A PATRON.
20 ALL RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA
21 CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR RETAIL
22 MARIJUANA PRODUCTS SOLD ON SITE MUST BE CONSUMED, STORED, OR
23 DISPOSED OF ON SITE.

24 (d) A MARIJUANA CONSUMPTION CLUB SHALL PURCHASE THE
25 RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA
26 CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCT, OR RETAIL
27 MARIJUANA PRODUCT THAT IT SELLS ON SITE FROM A BUSINESS LICENSED

1 PURSUANT TO THIS ARTICLE 43.4 OR ARTICLE 43.3 OF THIS TITLE 12 OR
2 SHALL ACQUIRE A RETAIL MARIJUANA CULTIVATION LICENSE PURSUANT TO
3 SECTION 12-43.4-403, A RETAIL MARIJUANA PRODUCTS MANUFACTURING
4 LICENSE PURSUANT TO SECTION 12-43.4-404, AN OPTIONAL PREMISES
5 CULTIVATION LICENSE PURSUANT TO SECTION 12-43.3-403, OR A MEDICAL
6 MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSE PURSUANT TO
7 SECTION 12-43.3-404 AND SELL THE RETAIL OR MEDICAL MARIJUANA IT
8 CULTIVATES OR RETAIL MARIJUANA PRODUCTS OR MEDICAL
9 MARIJUANA-INFUSED PRODUCTS ON SITE.

10 (e) A MARIJUANA CONSUMPTION CLUB MAY BE INSPECTED BY
11 LOCAL LAW ENFORCEMENT.

12 (2) A MARIJUANA CONSUMPTION CLUB MAY NOT SELL:

13 (a) ALCOHOL, INCLUDING MALT, VINOUS, OR SPIRITUOUS LIQUOR;
14 OR

15 (b) FOOD PREPARED ON SITE, EXCLUDING LIGHT SNACKS, MEDICAL
16 MARIJUANA-INFUSED PRODUCTS, OR RETAIL MARIJUANA PRODUCTS, FOR
17 CONSUMPTION ON THE PREMISES. A PATRON MAY BRING FOOD FOR
18 CONSUMPTION INTO THE MARIJUANA CONSUMPTION CLUB.

19 (3) A MARIJUANA CONSUMPTION CLUB MAY ONLY ADMIT PERSONS
20 WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE.

21 (4) A MARIJUANA CONSUMPTION CLUB AND ITS EMPLOYEES SHALL
22 NOT SELL, SERVE, GIVE AWAY, DISPOSE OF, EXCHANGE, OR DELIVER, OR
23 PERMIT THE SALE, SERVING, GIVING, OR PROCURING OF, ANY RETAIL OR
24 MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA CONCENTRATE,
25 MEDICAL MARIJUANA-INFUSED PRODUCT, OR RETAIL MARIJUANA PRODUCT
26 TO A PERSON WHO IS VISIBLY INTOXICATED OR UNDER THE INFLUENCE OF
27 MARIJUANA OR ANOTHER DRUG.

1 (5) A MARIJUANA CONSUMPTION CLUB SHALL NOT ALLOW THE USE
2 OF A BUTANE TORCH ON THE PREMISES OF THE CLUB.

3 (6) A MARIJUANA CONSUMPTION CLUB AND ITS EMPLOYEES SHALL
4 ANNUALLY SUCCESSFULLY COMPLETE A RESPONSIBLE VENDOR PROGRAM
5 AUTHORIZED PURSUANT TO SECTION 12-43.3-1102.

6 (7) (a) A MARIJUANA CONSUMPTION CLUB IS NOT CIVILLY LIABLE
7 TO ANY INJURED INDIVIDUAL OR HIS OR HER ESTATE FOR ANY INJURY TO
8 SUCH INDIVIDUAL OR DAMAGE TO ANY PROPERTY SUFFERED BECAUSE OF
9 THE INTOXICATION OF ANY PERSON DUE TO THE SALE OR SERVICE OF
10 RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA
11 CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCT, OR RETAIL
12 MARIJUANA PRODUCT TO SUCH PERSON, EXCEPT WHEN:

13 (I) IT IS PROVEN THAT THE MARIJUANA CONSUMPTION CLUB
14 WILLFULLY AND KNOWINGLY SOLD OR SERVED RETAIL OR MEDICAL
15 MARIJUANA, RETAIL OR MEDICAL MARIJUANA CONCENTRATE, MEDICAL
16 MARIJUANA-INFUSED PRODUCT, OR RETAIL MARIJUANA PRODUCT TO SUCH
17 PERSON WHO WAS UNDER THE AGE OF TWENTY-ONE YEARS OR WHO WAS
18 VISIBLY INTOXICATED; AND

19 (II) THE CIVIL ACTION IS COMMENCED WITHIN ONE YEAR AFTER
20 SUCH SALE OR SERVICE.

21 (b) A CIVIL ACTION SHALL NOT BE BROUGHT PURSUANT TO THIS
22 SUBSECTION (7) BY THE PERSON TO WHOM THE ALCOHOL BEVERAGE WAS
23 SOLD OR SERVED OR BY HIS OR HER ESTATE, LEGAL GUARDIAN, OR
24 DEPENDENT.

25 (c) IN ANY CIVIL ACTION BROUGHT PURSUANT TO THIS SUBSECTION
26 (7), THE TOTAL LIABILITY IN ANY SUCH ACTION SHALL NOT EXCEED ONE
27 HUNDRED FIFTY THOUSAND DOLLARS.

1 **SECTION 4.** In Colorado Revised Statutes, 12-43.3-402, **amend**
2 (3) as follows:

3 **12-43.3-402. Medical marijuana center license.** (3) Every
4 person selling medical marijuana as provided for in this ~~article~~ ARTICLE
5 43.3 shall sell only medical marijuana grown in its medical marijuana
6 optional premises licensed pursuant to this ~~article~~ ARTICLE 43.3. In
7 addition to medical marijuana, a medical marijuana center may sell no
8 more than six immature plants to a patient; except that a medical
9 marijuana center may sell more than six immature plants, but may not
10 exceed half the recommended plant count, to a patient who has been
11 recommended an expanded plant count by his or her recommending
12 physician. A medical marijuana center may sell immature plants to a
13 primary caregiver, another medical marijuana center, or a medical
14 marijuana-infused product manufacturer pursuant to rules promulgated
15 by the state licensing authority. The provisions of this subsection (3) shall
16 not apply to medical marijuana-infused products. A MEDICAL MARIJUANA
17 CENTER LICENSEE MAY SELL MEDICAL MARIJUANA TO A MARIJUANA
18 CONSUMPTION CLUB LICENSED PURSUANT TO SECTION 12-43.4-408.

19 **SECTION 5.** In Colorado Revised Statutes, 12-43.3-403, **amend**
20 (1); and **add** (4) as follows:

21 **12-43.3-403. Optional premises cultivation license.** (1) An
22 optional premises cultivation license may be issued only to a person
23 licensed pursuant to section 12-43.3-402 (1), ~~or~~ 12-43.3-404 (1), OR
24 12-43.4-408 who grows and cultivates medical marijuana at an additional
25 Colorado licensed premises contiguous or not contiguous with the
26 licensed premises of the person's medical marijuana center license or the
27 person's medical marijuana-infused products manufacturing license OR

1 WHO SELLS TO A MARIJUANA CONSUMPTION CLUB.

2 (4) AN OPTIONAL PREMISES CULTIVATION LICENSEE MAY SELL
3 MEDICAL MARIJUANA TO A MARIJUANA CONSUMPTION CLUB LICENSED
4 PURSUANT TO SECTION 12-43.4-408.

5 **SECTION 6.** In Colorado Revised Statutes, 12-43.3-404, **amend**
6 (3) as follows:

7 **12-43.3-404. Medical marijuana-infused products**
8 **manufacturing license - rules.** (3) A medical marijuana-infused
9 products licensee shall have a written agreement or contract with a
10 medical marijuana center licensee OR A MARIJUANA CONSUMPTION CLUB,
11 which contract shall at a minimum set forth the total amount of medical
12 marijuana obtained from a medical marijuana center licensee to be used
13 in the manufacturing process, and the total amount of medical
14 marijuana-infused products to be manufactured from the medical
15 marijuana obtained from the medical marijuana center. A medical
16 marijuana-infused products licensee shall not use medical marijuana from
17 more than five different medical marijuana centers in the production of
18 one medical marijuana-infused product. The medical marijuana-infused
19 products manufacturing licensee may sell its products to any licensed
20 medical marijuana center OR TO A MARIJUANA CONSUMPTION CLUB
21 LICENSED PURSUANT TO SECTION 12-43.4-408.

22 **SECTION 7.** In Colorado Revised Statutes, 12-43.4-402, **add**
23 (1)(f) as follows:

24 **12-43.4-402. Retail marijuana store license - definitions.**
25 (1) (f) A RETAIL MARIJUANA STORE MAY SELL ITS RETAIL MARIJUANA TO
26 A MARIJUANA CONSUMPTION CLUB LICENSED PURSUANT TO SECTION
27 12-43.4-408.

1 **SECTION 8.** In Colorado Revised Statutes, 12-43.4-403, **amend**
2 (1) as follows:

3 **12-43.4-403. Retail marijuana cultivation facility license.** (1) A
4 retail marijuana cultivation facility license may be issued only to a person
5 who cultivates retail marijuana for sale and distribution to licensed retail
6 marijuana stores, retail marijuana products manufacturing licensees, or
7 other retail marijuana cultivation facilities. A RETAIL MARIJUANA
8 CULTIVATION FACILITY MAY SELL ITS RETAIL MARIJUANA TO A MARIJUANA
9 CONSUMPTION CLUB LICENSED PURSUANT TO SECTION 12-43.4-408.

10 **SECTION 9.** In Colorado Revised Statutes, 12-43.4-404, **add**
11 (1)(f) as follows:

12 **12-43.4-404. Retail marijuana products manufacturing**
13 **license.** (1) (f) A RETAIL MARIJUANA PRODUCTS MANUFACTURING
14 LICENSEE MAY SELL ITS RETAIL MARIJUANA PRODUCTS TO A MARIJUANA
15 CONSUMPTION CLUB LICENSED PURSUANT TO SECTION 12-43.4-408.

16 **SECTION 10.** In Colorado Revised Statutes, 18-18-406, **add**
17 (5)(b)(IV) as follows:

18 **18-18-406. Offenses relating to marijuana and marijuana**
19 **concentrate.** (5) (b) (IV) PUBLIC DISPLAY, CONSUMPTION, OR USE OF UP
20 TO ONE OUNCE OF MARIJUANA IN A BUSINESS LICENSED PURSUANT TO
21 SECTION 12-43.4-408 IS NOT A VIOLATION OF THIS SUBSECTION (5)(b).

22 **SECTION 11.** In Colorado Revised Statutes, 25-14-205, **amend**
23 (1) introductory portion; and **add** (1)(l) as follows:

24 **25-14-205. Exceptions to smoking restrictions.** (1) This part 2
25 ~~shall~~ DOES not apply to:

26 (l) A MARIJUANA CONSUMPTION CLUB AS DESCRIBED IN SECTION
27 12-43.4-408, LIMITED TO ONLY THE PURPOSE OF SMOKING MARIJUANA,

1 THAT IS IN COMPLIANCE WITH SECTION 12-43.4-313 (3) AND IS FULLY
2 VENTILATED.

3 **SECTION 12. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take effect
10 unless approved by the people at the general election to be held in
11 November 2018 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.