

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 21-0799.01 Ed DeCecco x4216

SENATE BILL 21-111

SENATE SPONSORSHIP

Moreno and Gonzales, Hansen

HOUSE SPONSORSHIP

Herod and Ortiz,

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A PROGRAM TO SUPPORT**
102 **ENTREPRENEURS IN THE MARIJUANA INDUSTRY.**

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 program in the office of economic development and international trade (OEDIT) to support entrepreneurs in the marijuana industry, which will primarily assist social equity licensees, as that term is used in the "Colorado Marijuana Code". The program consists of:

- Loans to social equity licensees for seed capital and ongoing business expenses;

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

SENATE
3rd Reading Unamended
February 26, 2021

SENATE
2nd Reading Unamended
February 25, 2021

- Grants to social equity licensees to support innovation and job creation and organizations that support marijuana businesses to be used to support innovation and job creation of social equity licensees; and
- Technical assistance for marijuana business owners, prioritizing social equity licensees who have been awarded a loan or grant through the program.

OEDIT is authorized to directly administer the program itself or through one or more partner entities. In consultation with other relevant state agencies, industry experts, and other stakeholders, OEDIT is required to establish policies setting forth the parameters and eligibility for the program. OEDIT is required to consult with the Colorado economic development commission regarding the administration of the program. OEDIT is also required to submit a report by July 1 of 2022 and 2023 to the governor and legislative committees detailing program expenditures.

The program is initially funded with a \$4 million transfer from the marijuana tax cash fund to the newly created marijuana entrepreneur fund, from which the money is continuously appropriated to OEDIT for the program. OEDIT may use some of this money for the program's administrative expenses. Beginning with the fiscal year 2022-23, the general assembly may appropriate additional money from the marijuana tax cash fund to the marijuana entrepreneur fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-128 as
3 follows:

4 **24-48.5-128. Program - marijuana entrepreneurs - social**
5 **equity licensees - report - marijuana entrepreneur fund - creation -**
6 **legislative declaration - definitions. (1) Legislative declaration.**

7 (a) THE GENERAL ASSEMBLY FINDS THAT:

8 (I) COLORADO VOTERS LEGALIZED THE PERSONAL USE OF
9 MARIJUANA IN 2012 AND A ROBUST REGULATORY FRAMEWORK WAS
10 ESTABLISHED TO PROVIDE IMPORTANT SAFEGUARDS AND GUARDRAILS FOR
11 THE NEW AND GROWING MARIJUANA INDUSTRY THAT RESULTED;

12 (II) FROM THE ONSET OF LEGALIZATION IN COLORADO, STATUTE

1 SPECIFICALLY DISQUALIFIED COLORADANS WITH PAST MARIJUANA
2 CONVICTIONS FROM PARTICIPATING IN THE REGULATED MARIJUANA
3 INDUSTRY AND, UNTIL RECENTLY, THOSE PERSONS WERE UNABLE TO
4 PARTICIPATE IN THE INDUSTRY;

5 (III) WHILE THE MARIJUANA INDUSTRY HAS BALLOONED INTO A
6 TWO BILLION TWO HUNDRED MILLION DOLLAR ECONOMIC ENGINE THAT
7 EMPLOYS MORE THAN FORTY THOUSAND PEOPLE ACROSS TWO THOUSAND
8 EIGHT HUNDRED BUSINESSES, VERY FEW OF ALL REGULATED MARIJUANA
9 BUSINESSES ARE OWNED BY COLORADANS WITH PAST MARIJUANA
10 CONVICTIONS;

11 (IV) THE STATE IS AT A CRITICAL JUNCTURE WHERE IT MUST ACT
12 TO ENSURE COLORADO REMAINS A LEADER IN THE MARIJUANA INDUSTRY
13 AND ENSURE EQUAL OPPORTUNITY FOR ALL COLORADANS TO PARTICIPATE
14 IN THIS MARKET; AND

15 (V) PROVIDING TECHNICAL AND FINANCIAL SUPPORT TO ELIGIBLE
16 ENTREPRENEURS AND SMALL BUSINESSES WILL HELP ENSURE THEIR
17 ENDEAVORS GET OFF THE GROUND AND SUCCEED, WHICH WILL BENEFIT
18 THE STATE ECONOMY.

19 (b) THEREFORE, IT IS BENEFICIAL TO CREATE A PROGRAM IN THE
20 OFFICE OF ECONOMIC DEVELOPMENT TO ADDRESS THESE CONCERNS AND
21 ACHIEVE THESE BENEFITS.

22 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
23 OTHERWISE REQUIRES:

24 (a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
25 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

26 (b) "PROGRAM" MEANS THE PROGRAM ESTABLISHED IN
27 SUBSECTION (3)(a) OF THIS SECTION.

1 (c) "SOCIAL EQUITY LICENSEE" HAS THE SAME MEANING AS SET
2 FORTH IN SECTION 44-10-103 (68.5).

3 (3) **Loans, grants, and technical assistance.** (a) THERE IS
4 CREATED WITHIN THE OFFICE A PROGRAM TO SUPPORT ENTREPRENEURS IN
5 THE MARIJUANA INDUSTRY. THE OFFICE SHALL USE THE MONEY SPECIFIED
6 IN SUBSECTION (4) OF THIS SECTION FOR THE FOLLOWING PURPOSES,
7 INCLUDING ANY RELATED ADMINISTRATIVE EXPENSES:

8 (I) LOANS TO SOCIAL EQUITY LICENSEES FOR SEED CAPITAL AND
9 ONGOING BUSINESS EXPENSES, WHICH INCLUDE BUT ARE NOT LIMITED TO
10 RENT, LEASES, LOCAL AND STATE APPLICATION AND LICENSING FEES,
11 REGULATORY ADHERENCE, TESTING OF MARIJUANA, EQUIPMENT, CAPITAL
12 IMPROVEMENTS, AND TRAINING AND RETENTION OF A QUALIFIED AND
13 DIVERSE WORKFORCE;

14 (II) GRANTS TO:

15 (A) SOCIAL EQUITY LICENSEES TO SUPPORT INNOVATION AND JOB
16 CREATION; AND

17 (B) ORGANIZATIONS THAT SUPPORT MARIJUANA BUSINESSES TO BE
18 USED TO SUPPORT INNOVATION AND JOB CREATION OF SOCIAL EQUITY
19 LICENSEES;

20 (III) TECHNICAL ASSISTANCE FOR MARIJUANA BUSINESS OWNERS,
21 WHICH CONSISTS OF ASSISTING WITH BUSINESS PLAN DEVELOPMENT,
22 PROVIDING CONSULTING SERVICES, AND SUPPORTING EXISTING PUBLIC OR
23 PRIVATE TECHNICAL ASSISTANCE PROGRAMS. IN PROVIDING THE
24 TECHNICAL ASSISTANCE, THE OFFICE OR A TECHNICAL ASSISTANCE
25 PROGRAM PROVIDER SHALL PRIORITIZE SOCIAL EQUITY LICENSEES WHO
26 HAVE BEEN AWARDED A LOAN OR GRANT IN ACCORDANCE WITH
27 SUBSECTION (3)(a)(I) OR (3)(a)(II) OF THIS SECTION.

1 (b) (I) THE OFFICE SHALL ESTABLISH A PROCESS FOR SOCIAL
2 EQUITY LICENSEES AND ORGANIZATIONS TO APPLY FOR A LOAN OR GRANT
3 UNDER THE PROGRAM, INCLUDING APPLICATION DEADLINES, THE
4 INFORMATION AND DOCUMENTATION REQUIRED TO BE SUBMITTED TO THE
5 OFFICE TO DEMONSTRATE ELIGIBILITY FOR A LOAN OR A GRANT, AND ANY
6 OTHER REQUIREMENTS DETERMINED BY THE DIRECTOR TO BE NECESSARY.

7 (II) THE PROGRAM MAY BE ADMINISTERED DIRECTLY BY THE
8 OFFICE OR ONE OR MORE PARTNER ENTITIES BASED ON THE OFFICE'S
9 DETERMINATION. THIS AUTHORITY INCLUDES CONTRACTING WITH AN
10 ENTITY TO MAKE THE GRANTS OR LOANS SPECIFIED IN SUBSECTION (3)(a)
11 OF THIS SECTION, AND IN SUCH CASE, THE OFFICE MAY GRANT THE MONEY
12 TO OR USE OTHER APPROPRIATE PROCUREMENT MECHANISMS TO PROVIDE
13 THE MONEY TO THE ENTITY TO BE USED FOR THE GRANTS OR LOANS.

14 (c) THE OFFICE, IN CONSULTATION WITH OTHER RELEVANT STATE
15 AGENCIES, INDUSTRY EXPERTS, AND OTHER STAKEHOLDERS, SHALL
16 ESTABLISH POLICIES SETTING FORTH THE PARAMETERS AND ELIGIBILITY
17 FOR THE PROGRAM, INCLUDING:

18 (I) THE TERMS OF AND ELIGIBILITY FOR A LOAN OR GRANT, IN
19 ADDITION TO QUALIFYING AS A SOCIAL EQUITY LICENSEE;

20 (II) CAPS ON THE AMOUNT OF LOAN OR GRANT;

21 (III) DEADLINES FOR APPLYING FOR A LOAN OR GRANT;

22 (IV) GRANT REQUIREMENTS AND LOAN REPAYMENT TERMS; AND

23 (V) ANY OTHER POLICIES NECESSARY TO OPERATE THE PROGRAM.

24 (d) THE OFFICE SHALL CONSULT WITH THE COLORADO ECONOMIC
25 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 ABOUT THE
26 ADMINISTRATION OF THE PROGRAM.

27 (4) **Funding.** (a) THE MARIJUANA ENTREPRENEUR FUND IS

1 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
2 MONEY TRANSFERRED OR APPROPRIATED TO THE FUND IN ACCORDANCE
3 WITH SUBSECTION (4)(b) OF THIS SECTION. THE STATE TREASURER SHALL
4 CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
5 INVESTMENT OF MONEY IN THE MARIJUANA ENTREPRENEUR FUND TO THE
6 FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
7 OFFICE FOR THE OFFICE TO USE FOR THE PROGRAM AS SET FORTH IN THIS
8 SECTION.

9 (b) ON THE EFFECTIVE DATE OF THIS SECTION, THE STATE
10 TREASURER SHALL TRANSFER FOUR MILLION DOLLARS FROM THE
11 MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 (1) TO THE
12 MARIJUANA ENTREPRENEUR FUND CREATED IN SUBSECTION (4)(a) OF THIS
13 SECTION. FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2022, THE
14 GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE MARIJUANA
15 TAX CASH FUND TO THE MARIJUANA ENTREPRENEUR FUND.

16 (5) **Report.** BY JULY 1, 2022, AND JULY 1, 2023, THE OFFICE
17 SHALL SUBMIT A REPORT TO THE GOVERNOR, THE BUSINESS, LABOR, AND
18 TECHNOLOGY COMMITTEE OF THE SENATE OR ITS SUCCESSOR COMMITTEE,
19 AND THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF
20 REPRESENTATIVES OR ITS SUCCESSOR COMMITTEE DETAILING HOW THE
21 OFFICE IS EXPENDING MONEY UNDER THIS SECTION.

22 **SECTION 2.** In Colorado Revised Statutes, 39-28.8-501, **add**
23 (2)(b)(IV)(S) as follows:

24 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
25 **- legislative declaration - repeal.** (2) (b) (IV) Subject to the limitation
26 in subsection (5) of this section, the general assembly may annually
27 appropriate any money in the fund for the following purposes:

1 (S) FOR THE PROGRAM TO SUPPORT ENTREPRENEURS IN THE
2 MARIJUANA INDUSTRY CREATED IN SECTION 24-48.5-128 (3).

3 **SECTION 3. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.