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# What Colorado Cannabis Businesses Need to Know—Changes in 2022

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Colorado's 2021 legislative session included numerous changes to the state's cannabis laws. Here is what your Colorado cannabis business needs to know.

## **HB 21-1317 Regulating Marijuana Concentrates**

**Changes to Concentrate Sales Limitations.** Starting January 1, 2022, both medical and recreational marijuana stores will be limited to selling 8 grams of concentrate per day to patients and customers over 21 years of age. For a medical marijuana store, if the patient is between the ages of 18 and 20, that limit will be 2 grams per day, or the doctor recommended amount.

**Required Customer Educational Handout.** Effective January 1, 2022, medical and recreational stores must provide an educational pamphlet to all customers purchasing marijuana concentrates. This pamphlet must include information such as recommended serving sizes for concentrates, consumption risks and precautions, and a notice explaining the criminal penalties associated with diversion of cannabis products. Don't worry about tackling this now! The state has promised to appoint a working group to draft this educational resource for your customers. Your role is to have it on hand and make sure it's available.

**Packaging and Labeling Changes for Concentrates.** Before the end of the year, the state will work on promulgating new statutory and regulatory requirements for the packaging and labeling of medical and retail marijuana concentrates. These changes will be implemented in 2022.

**New Doctor Paperwork.** Recommending Physicians will have to use a new uniform form when authorizing a patient to purchase more concentrates than what is statutorily allowed. Stores will need to review this form if a patient is seeking to purchase more than the statutory limit.

## **HB 21-1216 Marijuana Designation Changes**

**Voilà! Recreational Cannabis Becomes Medical Cannabis.** Effective July 2022, medical marijuana cultivation facility licensees will be able to receive retail marijuana and change the designation of that marijuana from recreational to medical. To do so, the marijuana product must have (a) obtained passing test results; and (b) be received/generated from a commonly owned retail cultivation facility (at least one common Controlling Beneficial Owner). But, once that cannabis is designated as medical

marijuana, the designation cannot be reversed to retail marijuana. Notably, no excise taxes will be refundable if incurred or paid prior to the transfer.

The same designation process can also occur with a medical marijuana products manufacturer. That licensee may receive extracted retail marijuana and designate it as extracted medical marijuana. To do so, the marijuana must have (a) received passing test results; and (b) be from a commonly owned retail marijuana products manufacturer (at least one common Controlling Beneficial Owner). Once that cannabis extract is designated as medical marijuana, it cannot be again re-designated as retail marijuana extract.

All designation changes must be input in Marijuana Enforcement Tracking Reporting & Compliance (METRC) and all parties involved in the designation must remain at or under inventory limits before and after the designation is conducted.

### **HB 1301 Regarding Outdoor Cultivation**

Watch the weather. If your business grows cannabis outdoors, before January 1st, 2022, medical and recreational marijuana cultivators may take “reasonable steps” to prevent crop loss in the case of severe weather events (like early snow). This action will not be a violation of state law, so long as your business can show the action was reasonable and necessary to prevent crop loss.

After January 1, 2022 medical and recreational outdoor cultivators can file a contingency plan with the state detailing actions the licensee would take if there is an adverse weather event. If the plan is approved, Licensees may follow the plan in the case of an adverse weather event. “Adverse weather” is defined as drought, freeze, hail, excessive moisture or wind, a tornado, earthquake, fire or flood.

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