

ORDINANCE/RESOLUTION REQUEST

****Please submit to Mayor's Legislative Team by 5 pm Wednesday**

1. **Title:** *(Include a one sentence description that clearly indicates the type of request – grant acceptance, contract execution, municipal code change, supplemental request, etc.)*

A bill for an ordinance specifying July 1, 2010 as the last day for acceptance of applications for medical marijuana dispensary licenses under Article XI of Chapter 24, D.R.M.C.

2. **Requesting Agency:** Excise and Licenses; City Attorney

3. **Contact Person with actual knowledge of proposed ordinance**

Name: Penny May, Director of Excise and Licenses

Phone: 5-2765

Name: David Broadwell, Asst. City Attorney

Phone: 5-8754

4. **Contact Person with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary**

Same.

5. **Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved, scope of work, duration, location, affected Council district, benefits, and costs. (This is intended to give a brief overview of the ordinance. For additional background and history, please attach an executive summary).**

This bill is the first step in implementing the new statewide medical marijuana licensing law, HB 10-1284. The bill amends Denver's existing licensing law, saying that the city will cease accepting new dispensary licensing applications after July 1, 2010 for the following reasons:

- HB 1284 itself contemplates that, for medical marijuana businesses to remain lawful prior to full implementation of the new state licensing law on July 1, 2011, they must already be in the local licensing process as of July 1, 2010.
- Suspending the acceptance of new licensing applications after July 1, 2010 will allow the Director of Excise and License to focus upon enforcing the existing ordinance, processing the hundreds of applications already received, and mobilizing along with other city policy-makers to implement the new statutory licensing regime prior to July 1, 2011.

The draft bill is attached.

6. **Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.** All medical marijuana legislation is potentially controversial.

(Completed by Mayor's Office):

Ordinance Request Number:

Date:

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF _____

COUNCIL BILL NO. _____
COMMITTEE OF _____

REFERENCE:

A BILL

A bill for an ordinance specifying July 1, 2010 as the last day for acceptance of applications for medical marijuana dispensary licenses under Article XI of Chapter 24, D.R.M.C.

WHEREAS, pursuant to Ordinance No. 39, Series of 2010, codified at Article XI of Chapter 24, D.R.M.C., the City and County of Denver adopted licensing regulations for medical marijuana dispensaries.

WHEREAS, the Denver dispensary licensing ordinance was adopted in the absence of any existing state regulation of medical marijuana dispensary licensing laws, with the understanding that, in the event the state were to adopt statewide licensing laws, dispensaries in Denver would be subject to such laws; and

WHEREAS, pursuant to HB 10-1284, codified at Article 43.3 of Title 12, C.R.S., the State of Colorado has adopted a new dual state-local licensing system for medical marijuana dispensaries (to be licensed as "medical marijuana centers") and other medical marijuana-related businesses.

WHEREAS, the licensing requirements set forth in the new state law will not be fully implemented until July 1, 2011; and

WHEREAS, section 12-43.3-103 (1)(a) C.R.S. indicates that, in order to be considered lawful under the new state law between July 1, 2010 (the effective date of HB 10-1284) and July 1 2011, a dispensary must have received a locally issued license or be in the process of applying for such a license by July 1, 2010.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. That section 24-403, D.R.M.C. shall be amended by adding the language underlined, to read as follows:

Sec. 24-403. License Required.

- (a) On and after March, 1, 2010 and prior to July 1, 2011, it shall be unlawful for any person to sell or otherwise distribute any marijuana for medical use in Denver without obtaining a license to operate as a medical marijuana dispensary pursuant to the requirements of this article. This licensing requirement shall apply regardless of whether or not a medical marijuana dispensary has commenced operation prior to March 1, 2010. Any medical marijuana dispensary that has commenced operation prior to March 1, 2010 and for which a license application has been filed pursuant to this article prior to that date may continue in operation pending final action by the director on the application. Any such preexisting medical marijuana dispensary that does not or cannot meet the licensing requirements set forth in this article and therefore fails to obtain a license shall be terminated immediately upon such denial.
- (b) The license requirement set forth in this article shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or city law including, by way of example, a retail sales tax license, a retail food establishment license if applicable, any applicable zoning or building permit, and an alarm system permit.
- (c) Applications for medical marijuana dispensary licenses may be accepted by the director pursuant to this Article until close of business on July 1, 2010. After July 1, 2010, no further applications for medical marijuana dispensaries shall be accepted or acted upon by the director pursuant to this article.
- (d) Notwithstanding any other provision of this code to the contrary, any medical marijuana dispensary license issued or renewed by the director pursuant to this article shall expire no later than June 30, 2011. Upon the face of any license issued or renewed after July 1, 2010, the director shall include an advisement to the licensee that, in order to lawfully continue operating a medical marijuana dispensary on and after July 1, 2011, the licensee shall be required to apply, **pay all fees** and **meet all qualifications** for licensing as a medical marijuana center under the requirements of Article 43.3 of Title 12, C.R.S., and any applicable city laws and regulations.

COMMITTEE APPROVAL DATE: _____, 2010.

MAYOR-COUNCIL DATE: _____, 2010.

PASSED BY THE COUNCIL _____

2010

_____ - PRESIDENT

APPROVED: _____ - MAYOR _____

2010

ATTEST: _____ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2010;
_____ 2010

PREPARED BY: David W. Broadwell, Asst. City Attorney: DATE: May 24, 2010

Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance **is not** submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.

City Attorney

BY: _____, _____ City Attorney

DATE: _____