

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2016

COUNCIL BILL NO. CB16-0293
COMMITTEE OF REFERENCE:
Special Issues: Marijuana Moratorium

A BILL

For an ordinance concerning the licensing and regulation of marijuana businesses, and in connection therewith, amending Article V of Chapter 6 of the Denver Revised Municipal Code to extend the time period during which eligibility for a new retail marijuana business license is limited to certain preexisting medical marijuana licensees, and amending Article XII of Chapter 24 of the Denver Revised Municipal Code to impose a moratorium on the issuance of new medical marijuana licenses through June 1, 2016, to be effective if and only if the City Council does not adopt an ordinance capping marijuana business licenses effective May 1, 2016.

WHEREAS, the City Council previously adopted Ordinance No. 915, Series of 2015, extending the time period during which eligibility for certain retail marijuana licensing was limited to certain preexisting medical marijuana licensees, and imposing a temporary moratorium on the issuance of new medical marijuana licenses through May 1, 2016 for the reasons set forth in that ordinance; and

WHEREAS, the purpose of this ordinance is to extend the provisions of Ordinance No. 915, Series of 2015 until June 1, 2016, if and only if the City Council does not adopt an ordinance capping marijuana business licenses effective May 1, 2016.

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

Section 1. Section 6-203 of the Denver Revised Municipal Code shall be amended by adding the language underlined and deleting the language stricken to read as follows:

Sec. 6-203. Transition Provision.

(a) Prior to ~~May~~ June 1, 2016, no retail marijuana store, retail marijuana cultivation facility, or retail marijuana products manufacturer shall be licensed or otherwise permitted in the city unless:

- (1) The applicant for licensing of a retail marijuana establishment was, as of October 1, 2013, operating in good standing a medical marijuana center, a medical marijuana optional premises cultivation operation, or a medical marijuana-infused products manufacturing operation; the applicant is, as of the time of application for a local license under this article

V, currently licensed under both the Colorado Medical Marijuana Code and the Denver Medical Marijuana Code; and the applicant proposes to surrender the existing medical marijuana licenses upon receipt of a retail marijuana license, thereby entirely converting an existing medical marijuana establishment into a retail marijuana establishment; or

(2) The applicant for licensing of a retail marijuana establishment was, as of October 1, 2013, operating in good standing a medical marijuana center, a medical marijuana optional premises cultivation operation, or a medical marijuana-infused products manufacturing operation; the applicant is, as of the time of application for a local license under this article V, currently licensed under both the Colorado Medical Marijuana Code and the Denver Medical Marijuana Code; and the applicant proposes to retain the existing medical marijuana license while locating a retail marijuana establishment under common ownership at the same location to the extent allowed by the Colorado Retail Marijuana Code and applicable state rules and regulations.

(b) Prior to ~~May~~ June 1, 2016, any person who obtains a transfer of ownership of the state and local licenses for a medical marijuana business that was operating in good standing as of October 1, 2013 and is duly licensed under both the Colorado Medical Marijuana Code and the Denver Medical Marijuana Code may qualify for licensing as a retail marijuana establishment in the city as allowed by subsection (a) of this section.

(c) Prior to ~~May~~ June 1, 2016, any person who obtains a change of location of the state and local licenses for a medical marijuana business that was operating in good standing as of October 1, 2013 and is duly licensed under both the Colorado Medical Marijuana Code and the Denver Medical Marijuana Code may qualify for licensing as a retail marijuana establishment in the new location as allowed by subsection (a) of this section; provided, however, no change of location of a medical marijuana center license with the intent to apply for licensing as a retail marijuana store in the new location shall be approved unless and until a public hearing is conducted in accordance with section 6-212 and the director has determined that the applicant qualifies for licensing of a retail marijuana store in the new location. For any application involving transfer of location of an existing medical marijuana center and conversion to or co-location of a retail marijuana store at the new location, good cause for denial of the retail marijuana store license shall include, in addition to the factors set forth in section 6-212, evidence that the medical marijuana center was operated in a manner that adversely affected the public health, welfare, or safety of the immediate neighborhood in which the center was previously located.

(d) On and after ~~May~~ June 1, 2016, unless otherwise provided by law, any person who otherwise qualifies for licensing under applicable state and city laws may apply for licensing of a retail marijuana establishment in the city, regardless of whether or not the applicant is the owner of an existing medical marijuana business in the city.

Section 2. Section 6-209 of the Denver Revised Municipal Code shall be amended by adding the language underlined and deleting the language stricken to read as follows:

Sec. 6-209. Screening and response to state license applications.

(1) For all applications received prior to ~~May~~ June 1, 2016, determine whether the applicant qualifies for licensing as an existing medical marijuana business in the city, to the extent allowed by section 6-203. If the director makes an initial determination that the applicant does not qualify for licensing prior to ~~May~~ June 1, 2016, the director shall, no later than forty-five (45) days from the date the application was originally received by the state licensing authority, notify the state licensing authority and the applicant for state licensing in writing that the application is disapproved by the city. The failure of the director to make such a determination upon the initial review of a state license application shall not preclude the director from later determining that the applicant does not qualify for licensing prior to ~~May~~ June 1, 2016 as provided in section 6-203, and disapprove the issuance of a state or city license on this basis.

(2) Determine, in consultation with the manager of the department of community planning and development, whether or not the location proposed for licensing complies with any and all zoning and land use laws of the city, and any and all restrictions on location of retail marijuana establishments set forth in this article V. If the director makes an initial determination that the proposed license would be in violation of any zoning law or other restriction on location set forth in city laws, the director shall, no later than forty-five (45) days from the date the application was originally received by the state licensing authority, notify the state licensing authority and the applicant for state licensing in writing that the application is disapproved by the city. The failure of the director to make such a determination upon the initial review of a state license application shall not preclude the director from later determining that the proposed license is in violation of city zoning laws or any other restriction on location set forth in city laws, and disapprove the issuance of a state or city license on this basis.

Section 5. Section 24-503.5, D.R.M.C. shall be amended by deleting the language

1 stricken an adding the language underlined, to read as follows:

2
3 **Sec. 24-503.5. Temporary moratorium.**

4 (a) The issuance of new medical marijuana business licenses for medical marijuana
5 centers, medical marijuana optional premises cultivation operations, and medical
6 marijuana-infused products manufacturing operations shall be and hereby is limited
7 by the following moratorium:

8 (1) The moratorium shall be in effect beginning January 1, 2016;

9 (2) The moratorium shall end on ~~May~~ June 1, 2016;

10 (3) During the period of the moratorium, under no circumstances shall the director
11 receive or act upon any new application for a medical marijuana establishment
12 described in this subsection (a).

13 (b) This moratorium shall not apply to any new license applications for a medical
14 marijuana establishment described in this subsection (a) which have been submitted
15 to the city in complete form, with any required fees paid, prior to January 1, 2016.
16

17 **Section 6.** This ordinance shall take effect if and only if the City Council does not adopt an
18 ordinance capping the issuance of marijuana business licenses effective May 1, 2016.
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20 COMMITTEE APPROVAL DATE: N/A

21 MAYOR-COUNCIL DATE: N/A

22 PASSED BY THE COUNCIL: _____, 2016

23 _____ - PRESIDENT

24 APPROVED: _____ - MAYOR _____, 2016

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

28 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2016; _____, 2016

29 PREPARED BY: Marley Bordovsky, Assistant City Attorney DATE: _____, 2016

30 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
31 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
32 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to §
33 3.2.6 of the Charter.

34 D. Scott Martinez, Denver City Attorney

35 BY: _____, Assistant City Attorney DATE: _____, 2016

