



Proposed Policy Updates to Denver's Marijuana Delivery Program

BR22-0960: Amends Chapter 6 and Chapter 32 the Denver Revised Municipal Code to change the provisions for retail marijuana transporters licenses for the purpose of supporting social equity, adjusting marijuana business fees, and providing for clarifying changes.

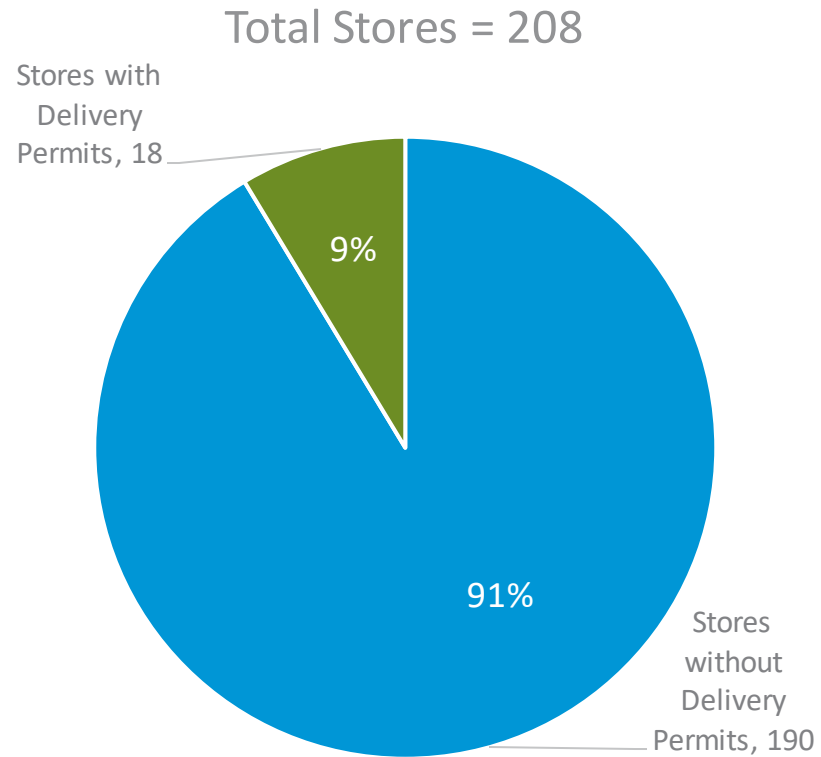
Presented by the Department of Excise and Licenses

Denver's Current Marijuana Delivery Program

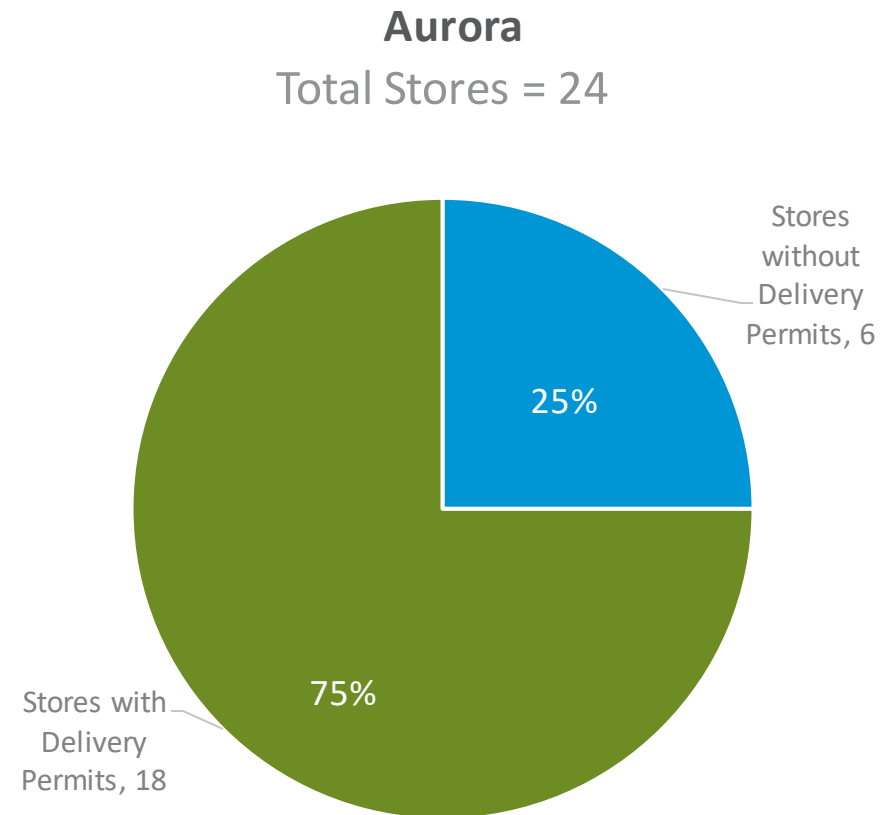
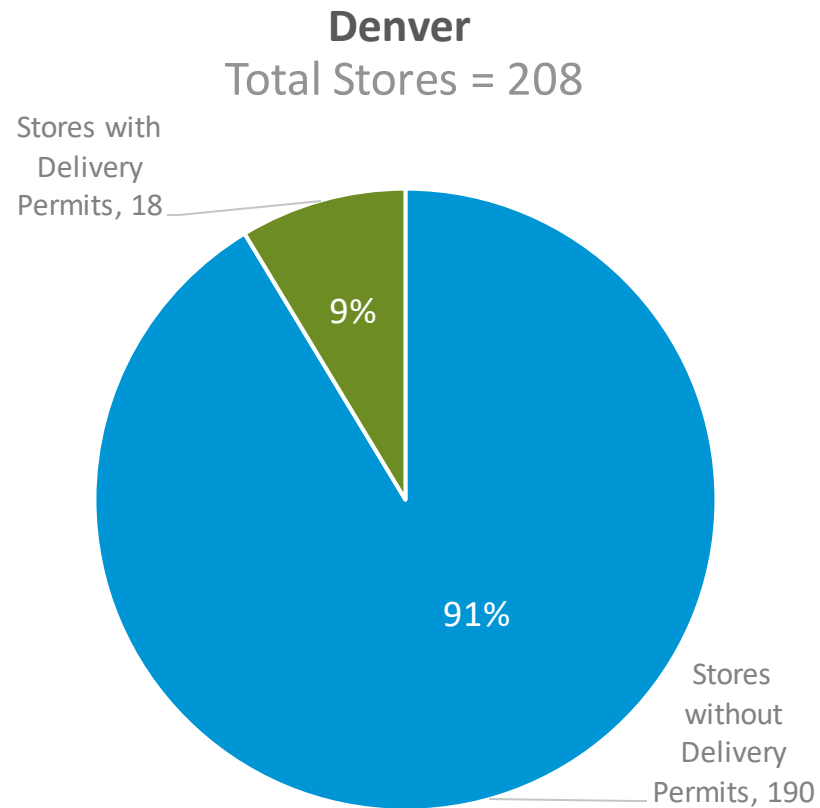
In April 2021, City Council adopted Council Bill 21-0216, which created a marijuana delivery program. The Department of Excise and Licenses (EXL) began accepting applications for transporter licenses and delivery permits in June 2021. **Only social equity transporters with delivery permits may deliver marijuana until July 1, 2024.**

Stores	Transporters
May contract with a transporter to deliver marijuana to consumers. Cannot conduct deliveries.	May deliver marijuana to consumers on behalf of stores.
Must have a delivery permit to contract with transporters to deliver marijuana to consumers.	Must have a delivery permit to deliver marijuana to consumers on behalf of stores.
Do not have to qualify as a social equity applicant to obtain a delivery permit.	Must qualify as a social equity applicant to obtain a delivery permit.

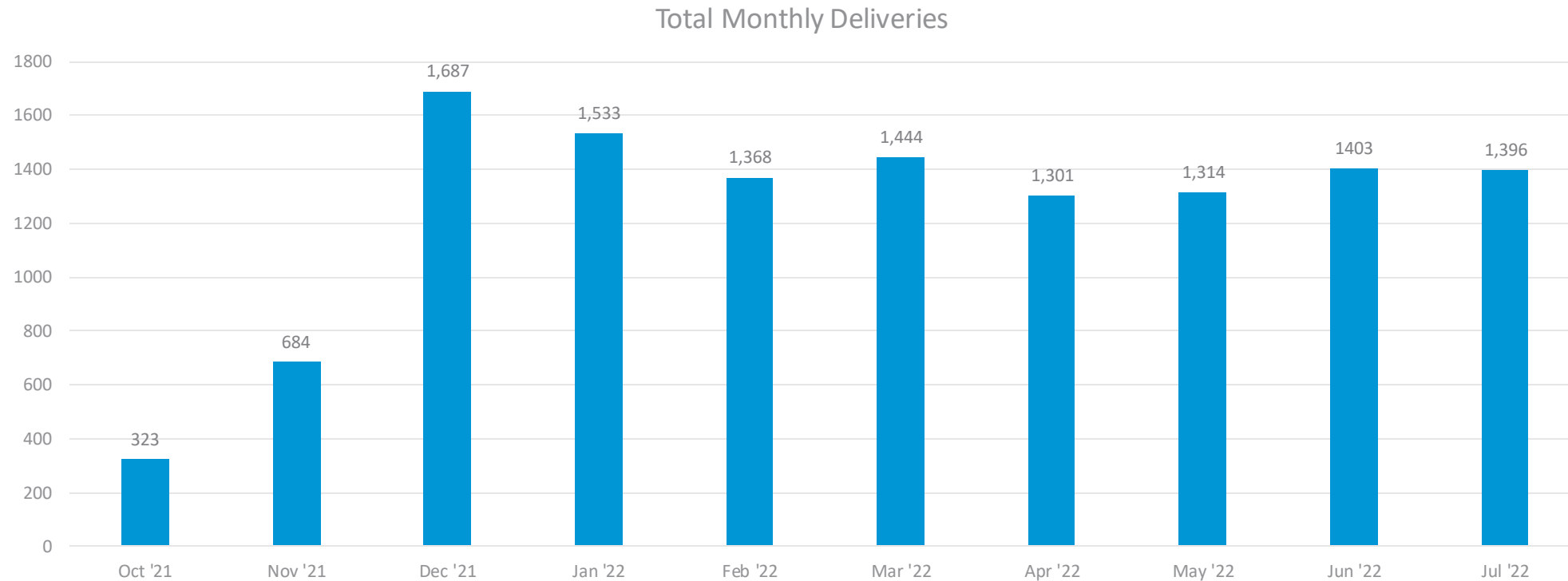
Denver's Current Marijuana Delivery Program



Marijuana Current Delivery Program Comparison



Denver's Current Marijuana Delivery Program



Delivery consistently accounts for less than half of one percent of sales in Denver.
Only 3 stores consistently do more than 250 deliveries per month.

Challenge: Store Participation

Letter from The Color of Cannabis and 10 social equity delivery businesses 10/21/21

- “While all new businesses take time to roll out, the clock has started on social equity transporter businesses and **time is not a luxury that we have**. During stakeholder meetings with social equity transporters, there have been grave concerns expressed regarding the inability to secure contracts [with stores].”
- “We would hope that legacy industry licensee holders are not making a deliberate decision to not participate in the program due to the belief that they can **wait out the three-year exclusivity window**. Guardrails must be put in place, to prevent predatory behavior that could bankrupt new transporter businesses.”
- “Extending exclusivity will **ensure the success of the program** and **send a clear message that equity is a priority** in the city and predatory practices will not be tolerated.”

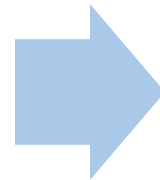
Challenge: Cost of Licensure

Some stores have expressed that the cost of applying for a delivery permit (\$2,500) is too high and is preventing them from applying.



A significant reduction to the delivery permit fee for stores may encourage stores to apply.

Social equity delivery businesses have expressed that they will not be able to afford the cost to renew their transporter license and delivery permit, especially as they struggle to partner with stores.



A significant reduction to the fees for transporter licenses and delivery permits will help social equity delivery businesses survive while they continue to build their businesses.

Proposed Changes

1

Make delivery exclusivity for social equity transporters permanent by removing the 2024 sunset.

This will require stores to continue to pursue contracts with social equity transporters in order to deliver marijuana to customers and will provide certainty for social equity transporters going forward.

2

Significantly reduce transporter license fees.

This will provide needed financial relief to existing small social equity transporter businesses and will reduce a barrier to entry for new applicants.

3

Significantly reduce marijuana delivery permit fees.

This will provide needed financial relief to existing small social equity transporter businesses and will reduce a barrier to entry for stores and transporters.

Proposed Fee Reductions and Adjustments

License Type	Fee Type	Fee for Stores	Fee for Transporters (Social Equity Applicants)
Marijuana delivery permit	Application fee (one-time)	\$500 \$25	\$0 \$25
	License fee (annual)	\$2,000 \$25	\$2,000 \$25
	Addition of motor vehicle (new fee)	\$25	\$25

License Type	Fee Type	Fee for Social Equity Applicants
Medical marijuana transporter license	Application fee (one-time)	\$0
	License fee (annual)	\$1,500 \$200 (waived upon initial application)
Retail marijuana transporter license	Application fee (one-time)	N/A
	License fee (annual)	\$2,500 \$200 (waived upon initial application)
Medical marijuana off-premises storage facility permit	Application fee (one-time)	\$0
	License fee (annual)	\$250 (waived upon initial application)
Retail marijuana off-premises storage facility permit	Application fee (one-time)	\$0
	License fee (annual)	\$250 (waived upon initial application)

Stakeholder Engagement

The Department announced the proposal at a marijuana industry check-in meeting on Tuesday, July 19.

- The meeting was promoted through the [marijuana information bulletin](#), which has 1,550 subscribers.
- Bulletins announcing the meeting went out on [July 5](#), [July 12](#), and [July 18](#).
- 35 people attended in-person, 55 people attended via Zoom.
- A [bulletin](#) summarizing the proposal and inviting feedback was sent out on July 20.
- A [recording of the meeting](#) and a draft of the legislation is available on the Department's [Marijuana Laws, Rules, and Regulations website](#).



Media Coverage

“Since I’ve started my business, two other social-equity delivery businesses have gone under because they couldn’t get their partnerships. By supporting us, we can make it so everyone can thrive.”

- Michael Diaz Rivera, Better Days Delivery, Denver Post, July 20, 2022

“Industry insiders overwhelmingly agree that the proposed policy is ‘creative,’ and significantly better than the status quo.”

- Axios, July 29, 2022

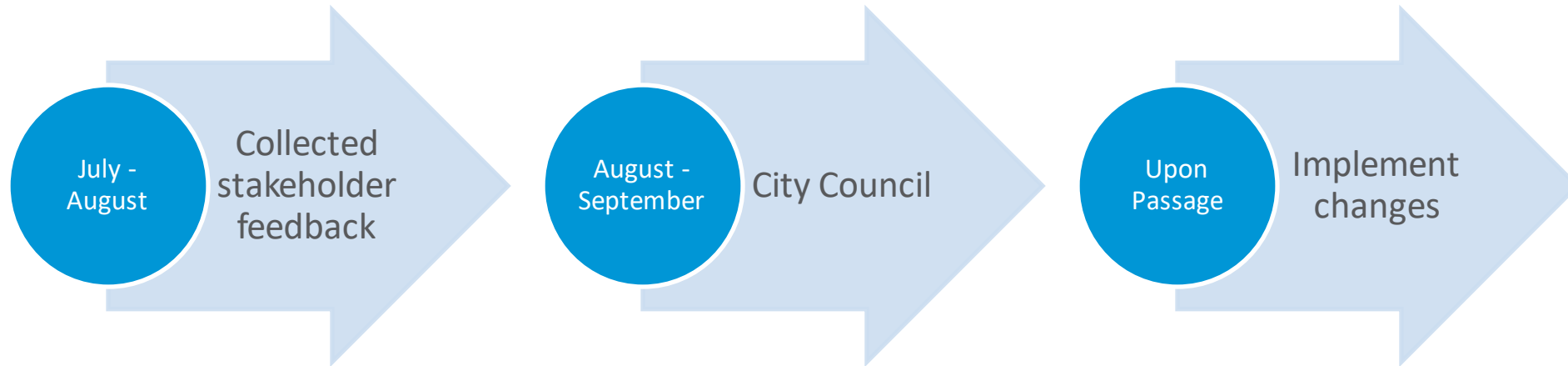
"The Marijuana Industry Group applauds the Mayor's Office and Denver Excise and Licenses' reduction of fees for social equity transporters and stores and their continued commitment to social equity."

- Truman Bradley, Westword, July 20, 2022

Media coverage:

- Denver Post: [Denver officials want to save struggling cannabis delivery businesses](#)
- Westword: [Denver proposes permanent marijuana delivery exclusivity for social equity businesses](#)
- MJBizDaily: [Denver weighs marijuana delivery and social equity changes](#)
- 9News: [Marijuana delivery businesses are struggling in Denver](#)
- Fox31: [Denver to slash pot delivery license fees](#)
- Axios: [Denver could make weed delivery exclusive to social equity companies](#)

Timeline





Questions?

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