

Retail Marijuana Licensing Ordinance

Thirty-Nine Key Decision Points

For Committee action beginning Monday, August 12, 2013 with a final deadline
for Council approval Monday, September 23.

		COMMITTEE VOTES		
	Transition Period: Retail Stores	ayes	nays	abstain
1.	<p>Does the City want to allow ONLY <u>outright conversion</u> of Medical Marijuana Centers to Retail Stores, with no option for co-location (side-by-side but with separate entrances) or coterminous (completely shared space) licensed premises?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Allow outright conversion (p. 3, lines 1-8), but also allow collocation and coterminous location as well. (p. 3, lines 9-16).</i></p> <p>Notes:</p>			
2.	<p>Does the City want to allow co-location of medical and retail marijuana operations in common ownership in the same location?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 9-16)</i></p>			
3.	<p>Does the City want to allow coterminous licensed premises for medical and retail marijuana sales in common ownership and in the same location (restricted to customers 21-years of age and older)?</p> <p><i>(DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 9-16)</i></p>			
	Transition Period: Cultivation	ayes	nays	abstain

4.	<p>Does the City want to allow only <u>outright conversion</u> of Medical Marijuana Optional Premises Cultivation licenses to Retail Marijuana Cultivation Facilities?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Allow outright conversion (p. 3, lines 1-8), but also allow collocation as well. (p. 3, lines 9-16).</i></p>			
5.	<p>Does the City want to allow co-location of medical and retail cultivation operations?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 9-16)</i></p>			
	Transition Period: Manufacturers			
6.	<p>Does the City want to allow ONLY <u>outright conversion</u> of Medical Marijuana-Infused Products manufacturing licenses to Retail Marijuana Manufacturing?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Allow outright conversion (p. 3, lines 1-8), but also allow collocation as well. (p. 3, lines 9-16).</i></p>			
7.	<p>Does the City want to allow co-location of medical and retail manufacturing operations?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 9-16)</i></p>			
	Transition Period: Testing Laboratories			
8.	<p>Does the City want to allow state-licensed testing laboratories in Denver during the transition period? <i>(Note: this is a category of MJ business for which there has never previously been a class of city licensing under the medical marijuana codes, and thus there isn't a lawful status from which existing labs may be grandfathered during the transition period.)</i></p> <p><i>DRAFTING COMMITTEE PROPOSAL: Yes. (Language needs to be added to the bill affirmatively allowing labs.)</i></p>			

		ayes	nays	abstain
9.	Does the City want to require a city business license for testing laboratories at all? <i>DRAFTING COMMITTEE PROPOSAL: Unresolved, TBD.</i>			
10.	If yes to the previous question, what are the criteria, standards and procedures for local licensing of laboratories? <i>DRAFTING COMMITTEE PROPOSAL: Unresolved, TBD.</i>			
	Transition Period: Change of location			
11.	Does the City want to allow existing medical marijuana licenses within the City to change location and still qualify for retail licensing during the transition period? <i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 21-24)</i>			
	Transition Period: Change of ownership			
12.	Does the City want to allow existing medical marijuana licenses within the City to change ownership and still qualify for retail licensing during the transition period? <i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 3, lines 17-20)</i>			
PUBLIC HEARING DECISIONS (12 issues)		ayes	nays	abstain
	Retail Stores			
13.	Should any sort of a public process be required for conversion/co-location/coterminous location of existing medical marijuana centers and retail stores? <i>DRAFTING COMMITTEE PROPOSAL: Yes, including at a minimum public notification and an opportunity for public comment; details TBD.</i>			

14.	<p>Should the hearing be automatic, or instead triggered by something like prior bad behavior by the medical center licensee or citizen petition?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Public hearing not automatically required for conversion/collocation/coterminous location. However, hearing requirement may be triggered based upon objective criteria to be set forth in the ordinance, TBD.</i></p>			
		ayes	nays	abstain
15.	<p>For new store locations after transition period, should hearings be required?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Defer any decisions about licensing hearings for entirely new stores until January 1, 2016.</i></p>			
16.	<p>Criteria and procedures for hearings? (<i>Options: Stand pat on the procedures set forth in the draft bill, pp. 10-12, or propose something different.</i>)</p> <p><i>DRAFTING COMMITTEE PROPOSAL Hearing procedures still TBD. (See placeholder language, p. 10, line 12 through p. 12, line 24, modeled after liquor license hearing procedures as one option).</i></p>			
	Cultivation			
17.	<p>Should any sort of a hearing be required for conversion/collocation of existing medical marijuana optional premises cultivation and retail marijuana cultivation?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: No, authority for conversion/collocation of cultivation facilities should be based entirely on compliance with the location restrictions set forth in the draft, p. 13, lines 8-38.</i></p>			
18.	<p>Should the hearing be automatic, or instead triggered by something like prior bad behavior by the medical marijuana cultivator or citizen petition?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: N/A</i></p>			
19.	<p>For new cultivation locations after transition period, should hearings be required?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Defer any decisions about</i></p>			

	<i>licensing hearings for entirely new cultivation facilities until January 1, 2016.</i>			
20.	Criteria and procedures for hearing? <i>DRAFTING COMMITTEE PROPOSAL: N/A</i>			
	Manufacturing	ayes	nays	abstain
21.	Should any sort of a hearing be required for conversion/co-location of existing medical marijuana-infused products manufacturers and retail marijuana products manufacturing? <i>DRAFTING COMMITTEE PROPOSAL: No, authority for conversion/collocation of manufacturing facilities should be based entirely on compliance with the location restrictions set forth in the draft, p. 12, lines 30-37.</i>			
		ayes	nays	abstain
22.	Should the hearing be automatic, or instead triggered by something like prior bad behavior by the medical marijuana products manufacturer or citizen petition? <i>DRAFTING COMMITTEE PROPOSAL: N/A.</i>			
23.	For new manufacturing locations after transition period, should hearings be required? <i>DRAFTING COMMITTEE PROPOSAL: Defer any decisions about licensing hearings for entirely new manufacturing facilities until January 1, 2016.</i>			
24.	Criteria and procedures for hearing? <i>DRAFTING COMMITTEE PROPOSAL: N/A</i>			

LOCATION RESTRICTION DECISIONS (7 issues)				
	Retail Stores	ayes	nays	abstain
25.	<p>Stand pat on zoning restrictions and separation requirements set forth in first draft of the licensing ordinance? <i>(Identical to the location restrictions that currently apply to medical marijuana centers.)</i></p> <p>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 8, line 8 through p. 9, line 8.)</p>			
26.	<p>Adopt stricter or different location restrictions and separation requirements going forward?</p> <p>DRAFTING COMMITTEE PROPOSAL: No.</p>			
27.	<p>If the answer to the foregoing question is yes, should existing medical marijuana center locations be grandfathered?</p> <p>DRAFTING COMMITTEE PROPOSAL: N/A.</p>			
	Cultivation	ayes	nays	abstain
28.	<p>Stand pat on zoning restrictions as set forth in first draft of the licensing ordinance?</p> <p>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 13, lines 14-38)</p>			
		ayes	nays	abstain
29.	<p>Reconsider the restrictions on renewal of cultivations licenses in non-conforming locations, as contained in the original medical marijuana licensing ordinance?</p> <p>DRAFTING COMMITTEE PROPOSAL: No. (See p. 14. These special restrictions on renewal of certain cultivation licenses were a component of the so-called "Montero-Nevitt Compromise" of 2010,</p>			

	<i>which occurred due to the fact that the adoption of the 2010 zoning code and map forced a number of existing MMJ cultivators into non-conforming status. In lieu of disqualifying these locations from MMJ licensing altogether, special restrictions were placed on future renewals in these nonconforming locations.)</i>			
	Manufacturing			
30.	Stand pat on zoning restrictions as set forth in first draft of licensing ordinance? <i>DRAFTING COMMITTEE PROPOSAL: Yes. (p. 12, lines 30-37)</i>			
	Testing Laboratories			
31.	Rely entirely on zoning and building codes to determine the permissible location of testing laboratories? <i>DRAFTING COMMITTEE PROPOSAL: Undecided.</i>			
FEE DECISIONS (3 issues)		ayes	nays	abstain
32.	Stand pat on \$5000 annual “operating fee” for all classes of licenses or adopt something different? <i>(Note: State is proposing a graduated annual fee schedule for retail stores ranging from \$3,750 to \$14,000; and a flat annual fee on other classes of licenses set at \$2,750.)</i> <i>DRAFTING COMMITTEE PROPOSAL: Obtain recommendation from the Administration.</i>			
33.	Establish local fees for change of location, change of ownership, alteration of premises? <i>DRAFTING COMMITTEE PROPOSAL: Utilize same fee structures as is used for medical marijuana licenses: \$100 for transfer of ownership; \$750 for transfer of location; \$150 for modification of premises.</i>			

34.	<p>Should the amount required for a “tax bond” to be posted by retail marijuana stores be increased to reflect the higher rate of taxation that will likely be imposed on these stores?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Undecided . (See p. 7, lines 26-37. Treasury has recommended that the tax bond amount be increased from \$5000 to \$20,000 due to the proposed increase in the sales tax rate on retail marijuana.)</i></p>			
		ayes	nays	abstain
PENALTY DECISIONS (2 issues)				
35.	<p>Establish a system of civil penalties for local license violations? (Note: Amendment 64 expressly authorizes “civil penalties” for violations of law committed by retail marijuana businesses. Proposed state rules provide for civil penalties up to \$100,000 for the most serious offenses, in addition to license suspension or revocation.)</p> <p><i>DRAFTING COMMITTEE PROPOSAL: TBD, but consider establishing a civil penalty system parallel to state regulations.</i></p>			
36.	<p>Stand pat on existing Excise and License laws and procedures governing licensing sanctions, or adopt something different for marijuana?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: TBD, but consider defaulting to standard E&L procedures for license sanctions, as set forth in Chapter 32, D.R.M.C.</i></p>			
NEW ISSUES (3 issues)		ayes	nays	abstain
37.	<p>Establish hours of operation for retail marijuana stores?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Ordinance should include limitation on hours of operation for retail stores, but exact hours are TBD. (Note : Medical marijuana center operating hours are restricted to 8 a.m. to 7 p.m. daily. Liquor store hours are restricted to 8 a.m. to midnight daily.)</i></p>			

38.	<p>Address commercial transport of retail marijuana, or stand pat on state regulations and depend on state to enforce transportation restrictions?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Stand pat on state regulations.</i></p>			
39.	<p>Address warehousing of retail marijuana at locations other than license premises, or stand pat on state regulations and depend on state to enforce warehouse permit requirements?</p> <p><i>DRAFTING COMMITTEE PROPOSAL: Stand pat on state regulations.</i></p>			

Deadline for Council approval Monday September 23, 2013

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