

1 BY AUTHORITY

2 ORDINANCE NO. \_\_\_\_\_  
3 SERIES OF 2011

COUNCIL BILL NO. CB11-0445  
COMMITTEE OF REFERENCE:  
Special Issues

5 A BILL

6 For an ordinance amending Article XII of Chapter 24, Denver Revised Municipal Code  
7 concerning the licensing of medical marijuana businesses

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9  
10 WHEREAS, via the adoption of HB 11-1043, the State of Colorado has modified certain  
11 statutory provisions regarding the effective date, applicability and enforcement of the Colorado  
12 Medical Marijuana Code, Art. 43.3 of Title 12, C.R.S.; and

13  
14 WHEREAS, the intent of this bill is to conform the provisions of the Denver's counterpart  
15 medical marijuana licensing ordinances, Article XII of Chapter 24, D.R.M.C., to the changes enacted  
16 by HB 11-1043.

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18  
19 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**  
20 **DENVER:**

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22  
23 **Section 1.** That subsections (a) and (d) of section 24-403 D.R.M.C. and section 24-503 of  
24 Article XII of Chapter 24, D.R.M.C. shall be amended by deleting the language stricken and the  
25 addition of the language underlined to read as follows:

26 **Section 24-403. - License required.**

27 (a) On and after March, 1, 2010, and prior to July 1, ~~2011~~, 2012 it shall be  
28 unlawful for any person to sell or otherwise distribute any marijuana for medical use  
29 in Denver without obtaining a license to operate as a medical marijuana dispensary  
30 pursuant to the requirements of this article. This licensing requirement shall apply  
31 regardless of whether or not a medical marijuana dispensary has commenced  
32 operation prior to March 1, 2010. Any medical marijuana dispensary that has  
33 commenced operation prior to March 1, 2010, and for which a license application  
34 has been filed pursuant to this article prior to that date may continue in operation  
35 pending final action by the director on the application. Any such preexisting medical  
36 marijuana dispensary that does not or cannot meet the licensing requirements set  
37 forth in this article and therefore fails to obtain a license shall be terminated  
38 immediately upon such denial.  
39

1 (d) Notwithstanding any other provision of this code to the contrary, any  
2 medical marijuana dispensary license issued or renewed by the director pursuant to  
3 this article shall expire no later than June 30, ~~2011~~. ~~2012~~ Upon the face of any  
4 license issued or renewed after July 1, 2010, the director shall include an  
5 advisement to the licensee that, in order to lawfully continue operating a medical  
6 marijuana dispensary on and after July 1, ~~2011~~, 2012 the licensee shall be required  
7 to apply, pay all fees and meet all qualifications for licensing as a medical marijuana  
8 center under the requirements of Article 43.3 of Title 12, C.R.S., and any applicable  
9 city laws and regulations.  
10

11 **Section 2.** That subsections (a) and (e) of section 24-411, D.R.M.C. shall be amended by  
12 deleting the language stricken and adding the language underlined, to read as follows:  
13

14 **Section 24-411. - Transition provisions.**

15 (a) *Intent of section.* By virtue of the adoption of HB 10-1284 and HB 11-  
16 1043, codified at Article 43.3 of Title 12, C.R.S. as the Colorado Medical Marijuana  
17 Code, the State of Colorado has provided for the regulation and licensing of certain  
18 commercial medical marijuana businesses. These licensing requirements are to be  
19 fully implemented by July 1, ~~2011~~ 2012. Prior to July 1, ~~2011~~, 2012, a "locally  
20 approved" medical marijuana business may lawfully commence or remain in  
21 business if the business meets certain requirements as set forth in section 12-43.3-  
22 103 of the state code. The intent and purpose of this section is to clarify the  
23 relationship of city and state law during the period from July 1, 2010 to July 1, ~~2011~~.  
24 2012.  
25

26 (e) *No entitlement to licensing.* Nothing in this section shall be deemed to  
27 create any property interest, vested right, or entitlement to receive a future license  
28 to operate a medical marijuana center, a medical marijuana infused products  
29 manufacturer, or an optional premises grow operation under the Colorado  
30 Medical Marijuana Code. In order to lawfully remain in existence on and after July  
31 1, ~~2011~~, 2012, any and all commercial medical marijuana businesses shall be  
32 required to qualify for state and local licensing under the state code and  
33 otherwise comply fully with the requirements of any other applicable state or city  
34 laws.  
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36  
37 **Section 3.** That subsection (a), (b), and (d) of section 24-503, D.R.M.C. shall be amended by  
38 deleting the language stricken and adding the language underlined to read as follows:  
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40 **Section 24-503. – Effective date; applicability.**

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42 (a) *Effective date.* On and after July 1, 2011, it shall be unlawful to operate  
43 any business in Denver for which a license is required under the CMMC without first  
44 having obtained a local license under this article XII and a state license under the

1 state code; provided, however that certain pre-existing medical marijuana  
2 businesses that have submitted applications for licensing under the CMMC may  
3 continue in operation on and after July 1, 2011 until final action on the business's  
4 state and local license applications under the CMMC, subject to the following  
5 requirements:  
6

7 (1) *Medical Marijuana Centers.* An applicant for medical marijuana center  
8 licensing may continue in operation on and after July 1, 2011 if the applicant:  
9

10 a. Applied for a medical marijuana dispensary license from Denver  
11 prior to July 1, 2010 in accordance with Article XI of this Chapter 24,  
12 was not denied the license by the director, and commenced operation  
13 of the licensed dispensary prior to July 1, 2011; and  
14

15 b. Applied for a license for the same business as a medical marijuana  
16 center with the state licensing authority by August 1, 2010 under the  
17 requirements of section 12-43.3-103 of the Colorado Medical  
18 Marijuana Code; and  
19

20 c. Has not had the application for a medical marijuana center denied  
21 by either the state or local licensing authority.  
22

23 (2) An applicant for a medical marijuana infused products manufacturing  
24 license or an optional premises cultivation operations license may continue in  
25 operation on and after July 1, 2011 if the applicant :  
26

27 a. Met the requirements for a locally approved medical marijuana  
28 business as of July 1, 2010 as set forth in section 24-411; and  
29

30 b. Applied for a license for the same business as a medical  
31 marijuana infused products manufacturing or optional premises  
32 cultivation with the state licensing authority by August 1, 2010 under  
33 the requirements of section 12-43.3-103 of the Colorado Medical  
34 Marijuana Code; and  
35

36 c. Has not had the application for a medical marijuana infused  
37 products manufacturing or optional premises cultivation denied by  
38 either the state or local licensing authority.  
39

40 (b) *Previous dispensary licenses.* Any medical marijuana dispensary license  
41 previously issued by the director under the authority of Article XI of this Chapter 24 shall expire  
42 and shall be of no further force and effect as of July 1, 2011. 2012 or the date of final action on  
43 state and local license applications under the CMMC, whichever occurs first.  
44

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47 (d) *Prohibition on new medical marijuana businesses prior to July 1, 2011. 2012.* It  
48 shall be unlawful for any person to commence operation of any business of selling, offering  
49 for sale, distributing, cultivating or manufacturing medical marijuana prior to July 1, 2011 2012  
50 unless the person had applied for a license or permit from the city on or before July 1, 2010 in  
51 accordance with section 24-411, had applied for state licensing on or before August 1, 2010 in

1 accordance with § 12-43.3-103 (1)(b), C.R.S., and was otherwise fully in compliance with the  
2 requirements of Article XI of this Chapter and the CMMC.

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5 COMMITTEE APPROVAL DATE: June 13, 2011

6 MAYOR-COUNCIL DATE: N/A

7 PASSED BY THE COUNCIL: \_\_\_\_\_, 2011

8 \_\_\_\_\_ - PRESIDENT

9 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_, 2011

10 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
11 EX-OFFICIO CLERK OF THE  
12 CITY AND COUNTY OF DENVER

13 NOTICE PUBLISHED IN THE DAILY JOURNAL: \_\_\_\_\_, 2011; \_\_\_\_\_, 2011

14 PREPARED BY: David W. Broadwell, City Attorney; DATE: June 8, 2011

15 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the  
16 City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
17 ordinance. The proposed ordinance **is not** submitted to the City Council for approval pursuant to §  
18 3.2.6 of the Charter.

19 David W. Broadwell, City Attorney

20 BY: \_\_\_\_\_, City Attorney DATE: \_\_\_\_\_, 2011