

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. For any questions please contact Skye Stuart.

***\*All fields must be completed.\****  
*Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 9/14/15

Please mark one:      xx  Bill Request                      or               Resolution Request

**1. Has your agency submitted this request in the last 12 months?**

Yes                       xx No

If yes, please explain:

**2. Title:** *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: **grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.**)*

Removes the requirement for Surety Bonds for Medical Marijuana Centers and Retail Marijuana Stores.

**3. Requesting Agency:** Excise & Licenses

**4. Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Stacie Loucks
- **Phone:** 52763
- **Email:** [Stacie.loucks@denvergov.org](mailto:Stacie.loucks@denvergov.org)

**6. General description/background of proposed ordinance including contract scope of work if applicable:**

In the Medical Marijuana code there is a requirement that all centers have a \$5,000 surety bond (\$20,000 for retail marijuana stores). The bond was originally requested by Treasury in case the centers and stores did not pay their sales taxes.

Due to recent litigation on federal racketeering, Surety Bond companies are canceling policies mid-term for no cause by the holder. Marijuana licensees are unable to renew their licenses without a surety bond, so we are asking that the code requirement be removed. In the last 6 years of marijuana, not a single surety has been called up by the Department of Treasury. Should a business not pay their sales taxes, Treasury feels they have the existing tools in place to collect (like the do for all other retail businesses entities).

**\*\*Please complete the following fields:** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field – please do not leave blank.)*

- a. **Contract Control Number:** n/a
- b. **Contract Term:** n/a
- c. **Location:** Citywide
- d. **Affected Council District:** Citywide

**e. Benefits:** Allows EX1 to renew 418 [impacted] business licenses

**f. Contract Amount (indicate amended amount and new contract total):** n/a

**7. Is there any controversy surrounding this ordinance?** (*Groups or individuals who may have concerns about it?*) **Please explain.**

Supported by the marijuana industry and Treasury.

1 BY AUTHORITY

2  
3 ORDINANCE NO. \_\_\_\_\_  
4 SERIES OF 2001

COUNCIL BILL NO.  
COMMITTEE OF REFERENCE:

5  
6  
7 A BILL

8 **FOR AN ORDINANCE**

9 authorizing the director of excise and licenses to issue retail marijuana store licenses  
10 to applicants without the requirement of a tax bond.

11  
12 **BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

13  
14 **Section 1.** That subsection 6-211 of the Denver Revised Municipal Code be amended by  
15 deleting the language stricken and adding the language underlined, as follows:

16 Section 6-21. Licensing Requirements---Retail marijuana stores:

17  
18 The following requirements shall apply to the issuance of any local license for a retail  
19 marijuana store:

20  
21 ~~(a) bond in the amount of twenty thousand dollars (\$20,000.00) with corporate surety~~  
22 ~~thereon duly licensed to do business with the State of Colorado, approved as to form by~~  
23 ~~the city attorney, and conditioned that the applicant shall report and pay all city sales and~~  
24 ~~use taxes as provided by law. A corporate surety shall not be required to make payments~~  
25 ~~to the city claiming under such bond until a final determination of failure to pay taxes due~~  
26 ~~to the city has been made by the manager of finance or a court of competent jurisdiction.~~  
27 ~~All bonds required pursuant to this subsection shall be renewed at such times as the~~  
28 ~~bondholder's license is renewed. The Tax bond. Before the director issues a local license~~  
29 ~~to an applicant for a retail marijuana store, the applicant shall procure and file with the city~~  
30 ~~evidence of good and sufficient renewal may be accomplished through a continuation~~  
31 ~~certificate issued by the surety.~~

32  
33 (b)(a) Area maps. All applications for retail marijuana store licensing submitted  
34 pursuant to this article V shall include an area map drawn to scale indicating land uses of  
35 other properties within a 1,000-foot radius of the property upon which the applicant is

1 seeking a license. The map shall depict the proximity to the property to any school or  
2 child care establishment; to any other retail marijuana store; to any medical marijuana  
3 center, or to any alcohol or drug treatment facility.  
4

5 ~~(e)~~(b) Prohibited locations. No retail marijuana store license shall be issued for the following  
6 locations:  
7

8 (1) In any residential zone district as defined by the zoning code of the city, in any MS-2,  
9 MS-2x, MX-2, MX-2A or MX-2x zone district as defined by the zoning code of the city,  
10 or in any location where retail sales are prohibited by the zoning code or by any  
11 ordinance governing a planned unit development. The restriction against licensing a  
12 retail marijuana store in any MS-2, MS-2x, MX-2, MX-2A or MX-2x zone district shall  
13 not apply to any location where the director previously issued a medical marijuana  
14 center license under article XII of chapter 24 and a licensed medical marijuana center  
15 has existed in continuous operations at the subject location since the time of original  
16 licensing.  
17

18 (2) Within one thousand (1,000) feet of any school, with the distance computed by direct  
19 measurement in a straight line from the nearest property line of the land used for  
20 school to the nearest portion of the building in which the retail marijuana store is  
21 located.  
22

23 (3) Within one thousand (1,000) feet of any other retail marijuana store or medical  
24 marijuana center licensed under article XII of chapter 24, with the distance computed  
25 by direct measurement in a straight line from the nearest portion of the building in  
26 which one (1) store or center is located to the nearest portion of the building in which  
27 the other store or center is located. This restriction shall not apply to any location  
28 proposed for licensing as a retail marijuana store where the director previously issued  
29 a medical marijuana center license under article XII of chapter 24 and a licensed  
30 medical marijuana center has existed in continuous operations at the subject location  
31 since the time of original licensing, nor shall this restriction be construed to prohibit the  
32 licensing of a retail marijuana store under common ownership with and at the same  
33 location as a licensed medical marijuana center.

1  
2 (4) Within one thousand (1,000) feet of any child care establishment or alcohol or drug  
3 treatment facility. The 1,000-foot distance shall be computed by direct measurement  
4 in a straight line from the nearest property line of the land used for the child care  
5 establishment or alcohol or drug treatment facility to the nearest portion of the  
6 property upon which the retail marijuana store is proposed to be located. This  
7 restriction shall not apply to any location where the director previously issued a  
8 medical marijuana center license under article XII of chapter 24, and a licensed  
9 medical marijuana center has existed in continuous operations at the subject location  
10 since the time of original licensing.

11  
12 ~~(d)~~(c) Off-site delivery of product by licensee prohibited. All sales and distribution of  
13 retail marijuana by a licensed retail marijuana store shall occur only upon the licensed  
14 premises, and the licensee shall be strictly prohibited from delivering retail marijuana to  
15 any person at any other location.

16  
17 ~~(e)~~(d) Signs and advertising.

18  
19 (1) Any person or premises licensed as a retail marijuana store shall comply with  
20 all city ordinances regulating signs and advertising. In addition, no licensed  
21 retail marijuana store shall use any advertising material that is misleading,  
22 deceptive, or false, or that, as evidenced either by the content of the  
23 advertising material or by the medium or the manner in which the advertising is  
24 disseminated, is designed to appeal to minors.

25  
26 (2) Except as otherwise provided in this subsection (2), it shall be unlawful for any  
27 person licensed under this article or any other person to advertise any retail  
28 marijuana or retail marijuana product anywhere in the city where the  
29 advertisement is visible to members of the public from any street, sidewalk,  
30 park or other public place, including advertising utilizing any of the following  
31 media: Any billboard or other outdoor general advertising device as defined by  
32 the zoning code; any sign mounted on a vehicle, any hand-held or other  
33 portable sign; or any handbill, leaflet or flier directly handed to any person in a

1 public place, left upon a motor vehicle, or posted upon any public or private  
2 property without the consent of the property owner. The prohibition set forth in  
3 this paragraph (2) shall not apply to:

- 4
- 5 a. Any sign located on the same zone lot as a retail marijuana store which  
6 exists solely for the purpose of identifying the location of the retail  
7 marijuana store and which otherwise complies with the Denver Zoning  
8 Code and any other applicable city laws and regulations; or

9

  - 10 b. Any advertisement contained within a newspaper, magazine, or other  
11 periodical of general circulation within the city; or

12

  - 13 c. Advertising which is purely incidental to sponsorship of a charitable  
14 event by a retail marijuana store or a retail marijuana products  
15 manufacturer.
- 16

17 (3) For purposes of this subsection (e), the terms "advertise," "advertising" or  
18 "advertisement" mean the act of drawing the public's attention to a retail  
19 marijuana store or retail marijuana products manufacturer in order to promote  
20 the sale of retail marijuana by the store or the manufacturer.

21

22 ~~(f)~~(e) Co-location of retail marijuana store and medical marijuana center. A retail  
23 marijuana store in common ownership with a medical marijuana center may be licensed  
24 in the same location and may share the same licensed premises, to the extent allowed by  
25 the CRMC and regulations promulgated by the Colorado Marijuana Enforcement Division.

26

27 **Section 2.** That subsection 24-508 of the Denver Revised Municipal Code be amended by  
28 deleting the language stricken and adding the language underlined, as follows:

29 Section 24-508. Licensing Requirements---Retail marijuana centers:

30

31 In addition to the requirements set forth in the CMMC, the following requirements shall apply  
32 to the issuance of any local license for a medical marijuana center:

33

1 ~~(a) Tax bond. Before the director issues a local license to an applicant for a medical~~  
2 ~~marijuana center license, the applicant shall procure and file with the city evidence of~~  
3 ~~good and sufficient bond in the amount of five thousand dollars (\$5,000.00) with~~  
4 ~~corporate surety thereon duly licensed to do business with the State of Colorado,~~  
5 ~~approved as to form by the city attorney, and conditioned that the applicant shall report~~  
6 ~~and pay all city sales and use taxes as provided by law. A corporate surety shall not be~~  
7 ~~required to make payments to the city claiming under such bond until a final~~  
8 ~~determination of failure to pay taxes due to the city has been made by the manager of~~  
9 ~~finance or a court of competent jurisdiction. All bonds required pursuant to this subsection~~  
10 ~~shall be renewed at such times as the bondholder's license is renewed. The renewal may~~  
11 ~~be accomplished through a continuation certificate issued by the surety.~~

12  
13 ~~(b)(a)~~ Area maps. All applications for medical marijuana center licensing submitted pursuant  
14 to this article XII shall include an area map drawn to scale indicating land uses of  
15 other properties within a 1,000-foot radius of the property upon which the applicant is  
16 seeking a license. The map shall depict the proximity to the property to any school or  
17 child care establishment; to any other medical marijuana center; to any alcohol or drug  
18 treatment facility; or to any residential or U-MS-2x zone district.

19  
20 ~~(c)(b)~~ Prohibited locations. No medical marijuana center license shall be issued for the  
21 following locations:

22  
23 (1) In any residential zone district as defined by the zoning code of the city, in any  
24 MS-2, MS-2x, MX-2, MX-2A or MX-2x zone district as defined by the zoning code  
25 of the city, or in any location where retail sales are prohibited by the zoning code  
26 or by any ordinance governing a planned unit development. The restriction against  
27 licensing a medical marijuana center in any MS-2, MS-2x, MX-2, MX-2A or MX-2x  
28 zone district shall not apply to any location where the director previously issued a  
29 medical marijuana dispensary license under article XI of this chapter 24, a licensed  
30 medical marijuana dispensary or center has existed in continuous operations at  
31 the subject location since the time of original licensing.

32  
33 (2) Within one thousand (1,000) feet of any school or child care establishment,

1 with the distance computed by direct measurement from the nearest property line  
2 of the land used for school or child care purposes to the nearest portion of the  
3 building in which the medical marijuana dispensary is located, using a route of  
4 direct pedestrian access. This restriction shall not apply to any location where the  
5 director previously issued a medical marijuana dispensary license under article XI  
6 of this chapter 24, a licensed dispensary commenced operations at the subject  
7 location, and a licensed medical marijuana dispensary or center has existed in  
8 continuous operations at the subject location since the time of original licensing.  
9

10 (3) Within one thousand (1,000) feet of any other medical marijuana center  
11 licensed premises or of any premises licensed under article XI of this chapter 24,  
12 or any retail marijuana store licensed under article V of chapter 6, with the distance  
13 computed by direct measurement in a straight line from the nearest portion of the  
14 building in which the center is proposed to be located to the nearest portion of the  
15 building in which the other center or the retail marijuana store is located. This  
16 restriction shall not apply to any location where the director previously issued a  
17 medical marijuana dispensary license under article XI of this chapter 24, a licensed  
18 dispensary commenced operations at the subject location, and a licensed medical  
19 marijuana dispensary or center has existed in continuous operations at the subject  
20 location since the time of original licensing.  
21

22 (4) Within one thousand (1,000) feet of any alcohol or drug treatment facility. The  
23 1,000-foot distance shall be computed by direct measurement from the nearest  
24 property line of the land used for alcohol or drug treatment facility purposes to the  
25 nearest portion of the property upon which the medical marijuana center license is  
26 proposed to be located, using a route of direct pedestrian access. This restriction  
27 shall not apply to any location where the director previously issued a medical  
28 marijuana dispensary license under article XI of this chapter 24, a licensed  
29 dispensary commenced operations at the subject location, and a licensed medical  
30 marijuana dispensary or center has existed in continuous operations at the subject  
31 location since the time of original licensing.  
32

33 (5) The spacing requirements set forth in paragraphs (2), (3) and (4) of this



1 subsection (c) shall be enforced in lieu of the spacing requirements set forth in the  
2 CMMC, § 12-43.3-308 (1)(d)(I), C.R.S. as amended.

3  
4 ~~(d)~~(c) Off-site delivery of product by licensee prohibited. All sales and distribution of medical  
5 marijuana by a licensed medical marijuana center shall occur only upon the licensed  
6 premises, and the licensee shall be strictly prohibited from delivering medical  
7 marijuana to any person at any other location. Nothing herein shall preclude a primary  
8 care-giver from purchasing medical marijuana on behalf of a patient at a licensed  
9 medical marijuana center and delivering the medical marijuana to a homebound  
10 patient in accordance with § 25-1.5-106 (7)(d) and (e), C.R.S., as amended.

11  
12 ~~(e)~~(d) Signs and advertising.

13  
14 (1) Any person or premises licensed as a medical marijuana center shall comply  
15 with all city ordinances regulating signs and advertising. In addition, no licensed  
16 medical marijuana center shall use any advertising material that is misleading,  
17 deceptive, or false, or that, as evidenced either by the content of the advertising  
18 material or by the medium or the manner in which the advertising is disseminated,  
19 is designed to appeal to minors.

20  
21 (2) Any person licensed as a medical marijuana center or a medical marijuana-  
22 infused products manufacturer shall include in any advertisement for medical  
23 marijuana or any medical marijuana-infused product the following language: "For  
24 registered Colorado medical marijuana patients only." Provided, however, this  
25 language shall not be required to be displayed upon any sign identifying a medical  
26 marijuana center, as permitted by subparagraph (3)(i) of this subsection (e).

27  
28 (3) Except as otherwise provided in this subsection (3), it shall be unlawful for any  
29 person licensed under this article or any other person to advertise any medical  
30 marijuana or medical marijuana-infused product anywhere in the city where the  
31 advertisement is visible to members of the public from any street, sidewalk, park or  
32 other public place, including advertising utilizing any of the following media: any  
33 billboard or other outdoor general advertising device as defined by the zoning

1 code; any sign mounted on a vehicle, any hand-held or other portable sign; or any  
2 handbill, leaflet or flier directly handed to any person in a public place, left upon a  
3 motor vehicle, or posted upon any public or private property without the consent of  
4 the property owner. The prohibition set forth in this paragraph (3) shall not apply  
5 to:

- 6
- 7 (i) Any sign located on the same zone lot as a medical marijuana center  
8 which exists solely for the purpose of identifying the location of the  
9 medical marijuana center and which otherwise complies with the Denver  
10 Zoning Code and any other applicable city laws and regulations; or
- 11
- 12 (ii) Any advertisement contained within a newspaper, magazine, or other  
13 periodical of general circulation within the city; or
- 14
- 15 (iii) Advertising which is purely incidental to sponsorship of a charitable  
16 event by a medical marijuana center or a medical marijuana-infused  
17 products manufacturer.
- 18

19 (4) For purposes of this subsection (e), the terms "advertise," "advertising" or  
20 "advertisement" means the act of drawing the public's attention to a medical  
21 marijuana center or medical marijuana infused products manufacturer in order to  
22 promote the sale of medical marijuana by the center or the manufacturer.  
23  
24  
25  
26

27 PASSED BY THE COUNCIL \_\_\_\_\_ 2015

28 \_\_\_\_\_ - PRESIDENT

29 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_ 2015

30 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
31 EX-OFFICIO CLERK OF THE  
32 CITY AND COUNTY OF DENVER  
33

34 PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2015 \_\_\_\_\_ 2015

1 PREPARED BY: ASSISTANT CITY ATTORNEY Daniel Douglas

September 15, 2015

2

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

7

8 Scott Martinez, City Attorney

9 BY: \_\_\_\_\_, \_\_\_\_\_ City Attorney

10 DATE: \_\_\_\_\_

11