

1  
2 BY AUTHORITY

3  
4 ORDINANCE NO. \_\_\_\_\_  
5 SERIES OF

COUNCIL BILL NO.  
6 COMMITTEE OF REFERENCE:  
7

8 A BILL

9 For an ordinance amending Article XII of Chapter 24, Denver Revised Municipal Code  
10 concerning the licensing of medical marijuana businesses  
11

12  
13  
14 WHEREAS, via the adoption of HB 11-1043, the State of Colorado has modified certain  
15 statutory provisions regarding the effective date, applicability and enforcement of the Colorado  
16 Medical Marijuana Code, Art. 43.3 of Title 12, C.R.S.; and  
17

18 WHEREAS, the intent of this bill is to conform the provisions of the Denver's counterpart  
19 medical marijuana licensing ordinances, Article XII of Chapter 24, D.R.M.C., to the changes enacted  
20 by HB 11-1043.  
21

22  
23 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**  
24 **DENVER:**  
25

26  
27 **Section 1.** That subsections (a) and (d) of section 24-403 D.R.M.C. and section 24-503 of  
28 Article XII of Chapter 24, D.R.M.C. shall be amended by deleting the language stricken and the  
29 addition of the language underlined to read as follows:

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

31 (a) On and after March, 1, 2010, and prior to July 1, ~~2014~~, 2012 it shall be  
32 unlawful for any person to sell or otherwise distribute any marijuana for medical use  
33 in Denver without obtaining a license to operate as a medical marijuana dispensary  
34 pursuant to the requirements of this article. This licensing requirement shall apply  
35 regardless of whether or not a medical marijuana dispensary has commenced  
36 operation prior to March 1, 2010. Any medical marijuana dispensary that has  
37 commenced operation prior to March 1, 2010, and for which a license application  
38 has been filed pursuant to this article prior to that date may continue in operation  
39 pending final action by the director on the application. Any such preexisting medical

1 marijuana dispensary that does not or cannot meet the licensing requirements set  
2 forth in this article and therefore fails to obtain a license shall be terminated  
3 immediately upon such denial.  
4

5 (d) Notwithstanding any other provision of this code to the contrary, any  
6 medical marijuana dispensary license issued or renewed by the director pursuant to  
7 this article shall expire no later than June 30, ~~2014~~. ~~2012~~ Upon the face of any  
8 license issued or renewed after July 1, 2010, the director shall include an  
9 advisement to the licensee that, in order to lawfully continue operating a medical  
10 marijuana dispensary on and after July 1, ~~2014~~, 2012 the licensee shall be required  
11 to apply, pay all fees and meet all qualifications for licensing as a medical marijuana  
12 center under the requirements of Article 43.3 of Title 12, C.R.S., and any applicable  
13 city laws and regulations.  
14

15 **Section 2.** That subsections (a) and (e) of section 24-411, D.R.M.C. shall be amended by  
16 deleting the language stricken and adding the language underlined, to read as follows:  
17

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

19 (a) *Intent of section.* By virtue of the adoption of HB 10-1284 and HB 11-  
20 1043, codified at Article 43.3 of Title 12, C.R.S. as the Colorado Medical Marijuana  
21 Code, the State of Colorado has provided for the regulation and licensing of certain  
22 commercial medical marijuana businesses. These licensing requirements are to be  
23 fully implemented by July 1, ~~2014~~ 2012. Prior to July 1, ~~2014~~, 2012, a "locally  
24 approved" medical marijuana business may lawfully commence or remain in  
25 business if the business meets certain requirements as set forth in section 12-43.3-  
26 103 of the state code. The intent and purpose of this section is to clarify the  
27 relationship of city and state law during the period from July 1, 2010 to July 1, ~~2014~~.  
28 2012.  
29

30 (e) *No entitlement to licensing.* Nothing in this section shall be deemed to  
31 create any property interest, vested right, or entitlement to receive a future  
32 license to operate a medical marijuana center, a medical marijuana infused  
33 products manufacturer, or an optional premises grow operation under the  
34 Colorado Medical Marijuana Code. In order to lawfully remain in existence on  
35 and after July 1, ~~2014~~, 2012, any and all commercial medical marijuana  
36 businesses shall be required to qualify for state and local licensing under the  
37 state code and otherwise comply fully with the requirements of any other  
38 applicable state or city laws.  
39

40  
41 **Section 3.** That subsection (a), (b), and (d) of section 24-503, D.R.M.C. shall be amended  
42 by deleting the language stricken and adding the language underlined to read as follows:  
43

1 **Section 24-503. – Effective date; applicability.**  
2

3 (a) *Effective date.* On and after July 1, 2011, it shall be unlawful to operate  
4 any business in Denver for which a license is required under the CMMC without first  
5 having obtained a local license under this article XII and a state license under the  
6 state code; provided, however that certain pre-existing medical marijuana  
7 businesses that have submitted applications for licensing under the CMMC may  
8 continue in operation on and after July 1, 2011 until final action on the business's  
9 state and local license applications under the CMMC, subject to the following  
10 requirements:

11  
12 (1) *Medical Marijuana Centers.* An applicant for medical marijuana center  
13 licensing may continue in operation on and after July 1, 2011 if the applicant:

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

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

24  
25 c. Has not had the application for a medical marijuana center denied  
26 by either the state or local licensing authority.

27  
28 (2) An applicant for a medical marijuana infused products manufacturing  
29 license or an optional premises cultivation operations license may continue in  
30 operation on and after July 1, 2011 if the applicant :

31  
32 a. Met the requirements for a locally approved medical marijuana  
33 business as of July 1, 2010 as set forth in section 24-411; and

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

40  
41 c. Has not had the application for a medical marijuana infused  
42 products manufacturing or optional premises cultivation denied by  
43 either the state or local licensing authority.

44  
45 (b) *Previous dispensary licenses.* Any medical marijuana dispensary license  
46 previously issued by the director under the authority of Article XI of this Chapter 24 shall  
47 expire and shall be of no further force and effect as of July 1, 2014. 2012 or the date of final  
48 action on state and local license applications under the CMMC, whichever occurs first.  
49  
50  
51

1 (d) *Prohibition on new medical marijuana businesses prior to July 1, ~~2011~~. 2012*. It  
2 shall be unlawful for any person to commence operation of any business of selling, offering  
3 for sale, distributing, cultivating or manufacturing medical marijuana prior to July 1, ~~2011~~  
4 2012 unless the person had applied for a license or permit from the city on or before July 1,  
5 2010 in accordance with section 24-411, had applied for state licensing on or before August  
6 1, 2010 in accordance with § 12-43.3-103 (1)(b), C.R.S., and was otherwise fully in  
7 compliance with the requirements of Article XI of this Chapter and the CMMC.  
8  
9  
10  
11

12 PASSED BY THE COUNCIL \_\_\_\_\_ 2011

13 \_\_\_\_\_ - PRESIDENT

14 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_ 2011

15 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
16 EX-OFFICIO CLERK OF THE  
17 CITY AND COUNTY OF DENVER

18  
19 PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2011 \_\_\_\_\_ 2011

20 PREPARED BY: Dan Douglas, ASSISTANT CITY ATTORNEY; David W. Broadwell, CITY  
21 ATTORNEY; June 21, 2011

22  
23 REVIEWED BY: \_\_\_\_\_ - CITY ATTORNEY \_\_\_\_\_ 2011

24 SPONSORED BY COUNCIL MEMBER(S)

25  
26 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of  
27 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
28 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to §  
29 3.2.6 of the Charter.  
30

31 David Broadwell, City Attorney

32 BY: \_\_\_\_\_, \_\_\_\_\_ City Attorney

33 DATE: \_\_\_\_\_  
34