



Marijuana Code Updates

BR 25-0500 - A bill for an ordinance amending Chapters 6 and 32 of the Denver Revised Municipal Code to modernize regulatory provisions for marijuana licenses, align marijuana licensing requirements with state law, and clarify requirements for court-appointed receivers managing licensed businesses.

Presented by the Department of Excise and Licenses

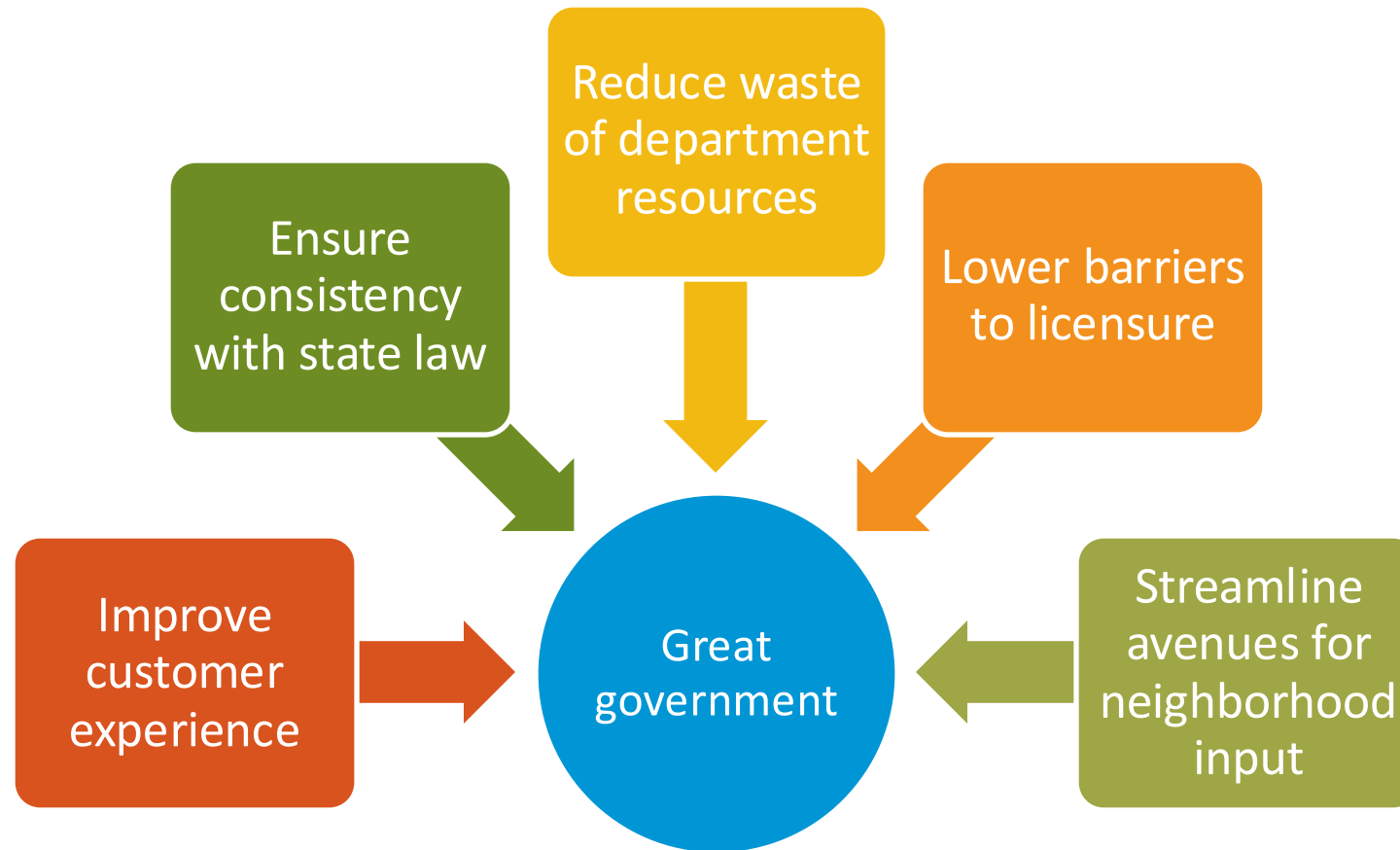
April 16, 2025

Agenda

- I. Purpose of proposed changes
- II. Updates to Chapter 6, Article V
 - I. Realignment of social equity criteria with state
 - II. Support for medical-only marijuana stores
 - III. Discretionary needs and desires hearings
 - IV. Digital communication option
- III. Update to Chapter 32, Article I
 - I. Licensing actions by court-appointed receivers



Purpose of Proposed Changes





Realignment of Social Equity Criteria with State Criteria

Background

2020

- General Assembly adopts criteria to qualify as a social equity applicant in [HB20-1424](#).
- EXL convenes Marijuana Licensing Work Group.

2021

- Denver adopts state social equity criteria.
- Denver affords SEAs exclusive access to most license types until 2027.

2024

- General Assembly modifies the definition of a social equity applicant in [SB24-076](#).

2025

- The state social equity criteria became effective **Feb. 1, 2025**.

Issue: Misalignment of State and Local Criteria

Criterion	As of February 1:
Applicant is a Colorado resident	No longer required
Applicant has not owned a marijuana license that was revoked	Still required
Applicant holds at least 51% ownership in the business	Still required
Applicant owns 3 or fewer marijuana store or cultivation licenses	New requirement
And qualify under one of following criteria:	
(1) Place of residence	Modified
(2) Marijuana offense	Modified
(3) Income	No longer an option
(4) Receipt of public assistance	New option

For details about the social equity criteria, visit med.colorado.gov.

Proposal

Revise the definition of “social equity applicant” in DRMC Sec. 6-204 to mean a person who has received a finding of suitability as a social equity applicant from the state licensing authority.

Impact:



Ensure that social equity applicants qualify at **both the state and local level**



Allow social equity applicants to leverage state and local **assistance programs**



Streamline application process

Support for Medical-Only Marijuana Stores

Background & Issue

The Denver Revised Municipal Code permits **some** existing medical-only marijuana stores to add a retail store license to their existing premises, but the opportunity isn't available to **all** medical-only stores.

Medical-only stores **may** add retail if they are within 1,000 feet of a:

- Childcare facility
- Drug or alcohol treatment facility
- Another medical or retail marijuana store

Medical-only stores **are unable to** add retail if they are within 1,000 feet of a:

- School

There are a handful of medical-only stores that **cannot access the same store license options** as the other medical-only stores.

Proposal

Amend DRMC Sec. 6-209 to allow medical marijuana stores located within 1,000 feet of a school to **add a retail store license** to the same location.

Impact:



Align with other exemptions from proximity requirements



Allow a small number of medical-only stores to **add a retail license**



No additional store locations within 1,000 feet of a school

Discretionary Needs & Desires Hearings

Background

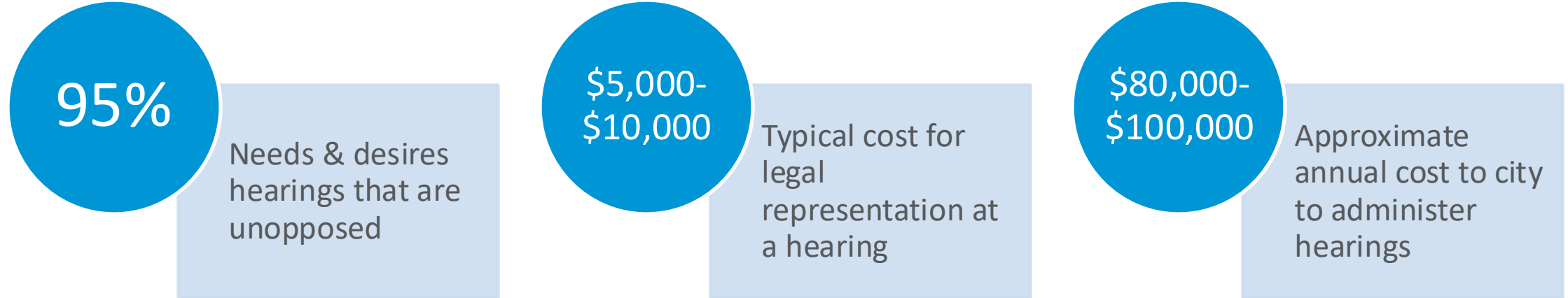
The Denver Marijuana Code **requires** a **public hearing** prior to the issuance of a marijuana store license, hospitality license, or hospitality and sales license. The applicant must prove a **need and desire** for the license.



However, there are **many ways** applicants could prove need and desire for a license. For example, if applicants could submit evidence of need and desire upon Application, a hearing would **not always be necessary**.



Issue: Hearings are Costly and Burdensome



In 2023, the Department created the [Business License Hearing Fund](#) to help offset legal costs incurred by licensing hearing participants. Since its creation, the Department has awarded **~\$175,000** to qualified applicants and community members.

Proposal

- Amend DRMC sections 6-209, 6-217, and 6-218 to **allow** – rather than **require** – a public needs and desires hearing for a marijuana store license, hospitality license, and hospitality and sales license.
- The Department will update its rules, policies, and procedures for hearings.

Impact:



Encourage applicants to talk to neighbors **before** applying



Give neighbors **more time** to decide whether to weigh in on the application



Reduce the **time** and **cost** of the licensure process



Result in **cost savings** for EXL

Digital Communication Option

Background & Issue

Background

- State law and the D.R.M.C. **require** the Department to send final decisions for marijuana store licenses via **certified mail**.

Issue

- Sending certified mail is a cumbersome process that costs the Department **thousands of dollars** annually in postage costs and staff time.
- Customers increasingly expect and prefer **digital communication** options.

Proposal

- Amend the D.R.M.C. to remove the requirement to send final decisions through certified mail.
- Allow EXL to send final decisions to the physical or electronic address provided on the application.

Impact:



No immediate impact. State requirements still apply.



If state law changes, the Department will be able to offer digital delivery options **without delay**.



This will result in **cost savings** for EXL.

Licensing Actions by Court-Appointed Receivers

Background & Issue

A **court-appointed receiver** is a person appointed by a court to take possession of, operate, manage, or control a licensed marijuana business.

Receivership is common in the marijuana industry and occurs in other licensed industries as well.

Court-appointed receivers of marijuana licenses are often **unable** to take certain licensing actions due to restrictions in the D.R.M.C.



Proposal

- Amend Chapter 32 to authorize court-appointees to take the **same licensing actions** a licensee would be authorized to take.
- **Promulgate rules** to establish requirements and procedures for receivers to take licensing actions.

Impact:



Align local process with state process



Streamline process for receivers



Allow EXL to address receivership issues in **other industries**



Next Steps

Next Steps

March 2025

- Councilmember briefings
- Industry and RNO outreach

April – May 2025

- City Council process

May – July 2025

- Update policies and process
- Promulgate rules for court-appointed receivers

July 2026

- EXL reports to City Council on social equity program by July 1

July 2027

- Social equity licensing exclusivity period sunsets on July 1



Questions?

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