

1 **BY AUTHORITY**

2 ORDINANCE NO. _____

COUNCIL BILL NO. CB21-

3 SERIES OF 2021

COMMITTEE OF REFERENCE:

4 [COMMITTEE NAME] FINANCE AND GOVERNMENT

5 **A BILL**

6 **For an ordinance relocating Denver’s medical marijuana code into Chapter 6 and**
7 **combining it with Denver’s retail marijuana code, renaming Chapter 6 to Alcohol**
8 **Beverages and Cannabis, providing for additional local license types authorized**
9 **by state law, and making conforming amendments to the Code pursuant to state**
10 **law.**

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

12 **Section 1.** Amend the title of Chapter 6, D.R.M.C. by adding the language underlined and
13 deleting the language stricken, to read as follows:

14 **Chapter 6 – ALCOHOL BEVERAGES AND ~~RETAIL MARIJUANA~~ CANNABIS**

15
16 **Section 2.** Article V of Chapter 6 shall be repealed and reenacted to read as follows:

17 **ARTICLE V. – DENVER MARIJUANA CODE**

18 **Sec. 6-200. – Purpose and legislative intent.**

19 The purpose of this article V is to exercise the authority of the City and County of Denver to
20 allow state-licensed medical and retail marijuana businesses to exist in the city in accordance with
21 applicable state laws and regulations as well as the additional local licensing requirements set forth
22 herein. The intent of this article V is to align the local licensing of medical and retail marijuana
23 businesses with the licensing framework utilized by the state licensing authority and to provide
24 additional necessary local regulations including, but not limited to, reserving certain licenses for
25 social equity applicants and prescribing limitations related to proximity, location, and operation.

26 **Sec. 6-201. – Local licensing authority.**

27 The director is hereby designated as the local licensing authority for purposes of
28 administering the Colorado Marijuana Code and this article V. The director shall have the power to
29 determine the qualifications of applicants, set conditions for licensure, and determine whether
30 marijuana licenses should be issued, denied, renewed, suspended, fined, or revoked, pursuant to
31 the procedures and standards set forth in this article V and chapter 32 of this Code.

32 **Sec. 6-202. - Relationship to Colorado Marijuana Code.**

33 Except as otherwise specifically provided herein and in chapter 32 of this Code, this article
34 V incorporates the licensing requirements set forth in the Colorado Marijuana Code.

1 **Sec. 6-203. - Effective date; no vested rights.**

2 (a) *Effect on existing licenses and pending applications.* Upon the effective date of this article
3 V, all marijuana business licenses previously issued by the Department shall be deemed to reflect
4 the corresponding license type listed in section 6-205(b). All applications currently pending before
5 the department will continue to be processed subject to provisions applicable at the time of
6 application.

7 (b) *No entitlement or vested right to licensing.* No person shall be deemed to have any
8 entitlement or vested right to local licensing under this article V by virtue of having applied for or
9 having received any prior license or permit from the city or the state.

10 **Sec. 6-204. – Defined terms.**

11 Except as provided below, the definitions set forth in subsection 16(2) of article XVIII of the
12 Colorado Constitution and the definitions set forth in the Colorado Marijuana Code, shall apply
13 equally to this article V. In addition, the following terms shall have the meanings respectively
14 assigned to them:

15 (1) *Advertise, advertising, or advertisement* means the act of drawing the public's
16 attention to a medical or retail marijuana business in order to promote the sale of cannabis by a
17 medical or retail marijuana business or consumption of marijuana in a marijuana business.

18 (2) *Alcohol or drug treatment facility* means any treatment facility, located within the
19 city, licensed or approved by the state office of behavioral health in the department of human
20 services, as provided in Articles 80, 81, and 82 of Title 27 of the Colorado Revised Statutes, as
21 amended.

22 (3) *Applicant* means any person applying for a medical or retail marijuana business
23 license, including a social equity applicant.

24 (4) *Cannabis* means regulated marijuana, industrial hemp, and industrial hemp
25 product.

26 (5) *Child care establishment* means any child care establishment as defined by and
27 regulated under chapter 11 of this Code.

28 (6) *Colorado Marijuana Code* means Article 10 of Title 44 of the Colorado Revised
29 Statutes, as amended, and the rules and regulations adopted pursuant thereto.

30 (7) *Common ownership* means two or more licenses that share at least one person
31 that holds an ownership interest in each license.

32 (8) *Consumer goods* means goods primarily used for personal, family, or household
33 purposes, but does not include vehicles.

1 (9) *Continuous operation* means that the regular sale of medical marijuana has
2 occurred at the subject location without interruption by a medical marijuana store. Continuous
3 operations shall be deemed to have ceased if any of the following occur:

4 a. The sale of marijuana at the subject location has suspended or ceased for a
5 period longer than ninety (90) consecutive days, unless the suspension or cessation was due to
6 factors outside of the licensee's control as determined by the director; or

7 b. The subject location is owned, leased, or otherwise occupied for a use other
8 than the sale of marijuana; or

9 c. The state or local medical marijuana center or store license issued for the
10 subject location has expired, is not renewed, is surrendered, changes location, or is revoked.

11 (10) *Department* means the Denver Department of Excise and Licenses.

12 (11) *Director* means the director of the Denver Department of Excise and Licenses.

13 (12) *Licensee* or *Permittee* means any person holding a valid medical or retail
14 marijuana business license or permit issued by the department.

15 (13) *Location* means a structure(s) or building(s) identified by a distinct street address
16 assigned by the city in accordance with article IV of chapter 49 of this Code. To the extent the
17 structure(s) or building(s) consists of separately described "units," "suites," "rooms," "buildings," or
18 other similar subdivisions, the structure(s) or building(s) shall nevertheless be counted as one (1)
19 location.

20 (14) *Neighborhood of undue concentration of cultivation facility locations* means the
21 five (5) statistical neighborhoods where the highest number of licensed medical and retail marijuana
22 cultivation facility locations exist, as calculated no more than 90 days after the effective date of this
23 article V for 2021, and by December 31 of each year thereafter. To the extent there is a tie between
24 two (2) or more statistical neighborhoods with the statistical neighborhood having the fifth most
25 licensed locations, then all such neighborhoods shall be treated as neighborhoods of undue
26 concentration of cultivation facility locations.

27 (15) *Neighborhood of undue concentration of marijuana store locations* means the five
28 (5) statistical neighborhoods where the highest number of licensed medical and retail marijuana
29 store locations exist, as calculated no more than 90 days after the effective date of this article V for
30 2021, and by December 31 of each year thereafter. To the extent there is a tie between two (2) or
31 more statistical neighborhoods with the statistical neighborhood having the fifth most licensed
32 locations, then all such neighborhoods shall be treated as neighborhoods of undue concentration
33 of marijuana store locations.

1 (16) *Party in interest* means any of the following:

2 a. The applicant;

3 b. An adult resident of the neighborhood under consideration;

4 c. The owner or manager of a business located in the neighborhood under
5 consideration;

6 d. An authorized representative of a registered neighborhood organization that
7 encompasses all or part of the neighborhood under consideration; or

8 e. Any member of city council elected from a district that encompasses all or
9 any part of the neighborhood under consideration.

10 (17) *Person* means any firm, corporation, association, or other organization acting as
11 a group or unit as well as a natural person. It shall also include an executor, administrator, trustee,
12 receiver, or other representative appointed according to law.

13 (18) *Private residence* includes, but is not limited to, a private premise where a person
14 lives such as a private dwelling, a place of habitation, a house, a multi-dwelling unit for residential
15 occupants, or an apartment unit. Private residence does not include any premises located at a
16 school, on the campus of an institution of higher education, public property, alcohol or drug
17 treatment facility, or any commercial property unit including, but not limited to, offices or retail space.

18 (19) *Safe* means a metal box capable of being locked securely, constructed in a
19 manner to prevent opening by human or mechanical force, or through the use of common tools,
20 including but not limited to hammers, bolt cutters, crow bars or pry bars.

21 (20) *School* means a public or private preschool, elementary school, middle school,
22 junior high school, or high school.

23 (21) *Social equity applicant* means a person applying for a new marijuana business
24 license, or being transferred a marijuana business license, who is or has one or more beneficial
25 owners who hold, or collectively hold, an ownership percentage of at least fifty-one percent, each
26 of whom satisfy the following criteria:

27 a. Is a Colorado resident;

28 b. Has not been the beneficial owner of a license subject to disciplinary or legal
29 action from the state licensing authority or the department resulting in the revocation of any
30 marijuana business license issued by the department or the state licensing authority;

31 c. Has demonstrated at least one of the following:

32 i. The applicant has resided for at least fifteen (15) years between the
33 years 1980 and 2010 in a census tract designated by the Colorado Office of Economic Development

1 and International Trade as an opportunity zone or designated by the state licensing authority as a
2 disproportionate impacted area;

3 ii. The applicant or the applicant's parent, legal guardian, sibling,
4 spouse, child, or minor in their guardianship was arrested for a marijuana offense, convicted of a
5 marijuana offense, or was subject to civil asset forfeiture related to a marijuana investigation; or

6 iii. The applicant's household income in the year prior to application did
7 not exceed an amount determined by the state licensing authority rule governing social equity
8 license qualifications.

9 (22) *Statistical neighborhood* means the geographical neighborhood boundaries
10 established by the City and County of Denver in 1970 in conjunction with the Community Renewal
11 Program.

12 **Sec. 6-205. - License or permit required; classes of licenses or permits authorized.**

13 (a) *License required.* It shall be unlawful for any person, whether or not they are licensed in
14 another jurisdiction, to engage in any form of business or commerce involving marijuana within the
15 city without a valid local license or permit issued pursuant to this article V authorizing that business
16 and a corresponding state license or permit issued pursuant to the Colorado Marijuana Code
17 authorizing the same business.

18 (b) *Classes of licenses or permits authorized.* For the purpose of regulating the cultivation,
19 manufacture, research and development, testing, transportation, storage, sale or distribution,
20 offering for sale, and delivery of regulated marijuana, the director may issue a local license or permit
21 of any of the following classes, subject to the provisions and restrictions provided in this article V
22 and the Colorado Marijuana Code:

- 23 (1) Medical marijuana store license;
- 24 (2) Medical marijuana delivery permit;
- 25 (3) Medical marijuana cultivation facility license;
- 26 (4) Medical marijuana products manufacturer license;
- 27 (5) Medical marijuana testing facility license;
- 28 (6) Medical marijuana transporter license;
- 29 (7) Medical marijuana off-premises storage facility permit;
- 30 (8) Marijuana research and development license;
- 31 (9) Retail marijuana store license;
- 32 (10) Retail marijuana delivery permit;
- 33 (11) Retail marijuana cultivation facility license;

- 1 (12) Retail marijuana products manufacturer license;
- 2 (13) Retail marijuana testing facility license;
- 3 (14) Retail marijuana transporter license; and
- 4 (15) Retail marijuana off-premises storage facility permit.

5 **Sec. 6-206. – City-wide moratorium on certain medical marijuana business licenses;**
6 **licenses reserved for social equity applications – sunset.**

7 (a) *Moratorium on certain new medical marijuana licenses.*

8 (1) The director shall not accept any application for a new medical marijuana store.

9 (2) The director shall not accept any application for a new medical marijuana
10 cultivation facility.

11 (b) *Licenses to be reserved for social equity applicants – exceptions; sunset.* The director
12 may only accept applications for new medical marijuana products manufacturer, medical marijuana
13 transporter, and retail marijuana business licenses from social equity applicants except that the
14 director may accept applications for new retail or medical marijuana business licenses from any
15 applicant in the following instances:

16 (1) The applicant is applying for a medical or retail marijuana testing facility license or
17 a marijuana research and development license; or

18 (2) The applicant is applying for a retail marijuana business license that will be co-
19 located with a medical marijuana business of the same type in compliance with this article V.

20 (c) *Report to City Council.* The director shall report in writing to city council by July 1, 2026
21 regarding the exclusive issuance of certain licenses to social equity applicants.

22 (d) *Sunset of social equity exclusivity.* Subsection (b) of this section 6-206 shall be repealed
23 effective July 1, 2027.

24 **Sec. 6-207. - Application requirements.**

25 All applications for local licensing shall be made in the manner provided by the director. In
26 addition to information required by chapter 32 of this Code, the applications shall contain the
27 following information:

28 (1) A social impact plan containing the information required by the director, as well as
29 the following:

30 a. The name, telephone number, and email address of the person affiliated with
31 the applicant or licensee who is responsible for oversight and implementation of the social impact
32 plan;

33 b. A description of the procedure(s) the applicant or licensee will use to timely

1 address concerns of residents, registered neighborhood organizations, and businesses within the
2 neighborhood surrounding the licensed premises;

3 c. A list of all registered neighborhood organizations whose boundaries
4 encompass the location of the licensed premises and a description of the applicant or licensee's
5 plan to engage with each registered neighborhood association;

6 d. A description of the applicant or licensee's diversity and inclusion practices
7 in hiring and employment, including any specific metrics to be used in measuring the success of its
8 programs;

9 e. A description of the applicant or licensee's sustainability practices, including
10 any specific metrics to be used in measuring the success of its programs;

11 f. A description of the applicant or licensee's plan to foster participation in the
12 regulated marijuana industry by people from communities that have previously been
13 disproportionately harmed by marijuana prohibition and enforcement in order to positively impact
14 those communities, including any specific metrics to be used in measuring the success of its
15 programs; and

16 g. A description of how members of the public can access the applicant's social
17 impact plan;

18 (2) Documentation establishing that the applicant qualifies as a social equity applicant
19 as defined in this article V, if applicable; and

20 (3) Any supplemental materials the director deems necessary to implement or enforce
21 this article V and the Colorado Marijuana Code.

22 **Sec. 6-208. Provisions applicable to all licenses.**

23 (a) *Inspections and permits.* The director shall not issue a local license or approve any
24 material and substantial modification of a licensed premises until the applicant has completed all
25 required inspections and received all necessary permits, including, but not limited to right-of-way
26 permits, zoning permits, and fire and building permits.

27 (b) *Corresponding state license.* The director shall not issue a local license unless the
28 applicant produces a valid corresponding license issued by the state licensing authority under the
29 Colorado Marijuana Code, including an accelerator business license of the same type.

30 (c) *Compliance with state law.* In addition to the requirements set forth in this article V, all
31 medical and retail marijuana business licenses shall comply with all applicable provisions in the
32 Colorado Marijuana Code.

33 (d) *Records.* A licensee must provide on-demand access to on-premises records, including

1 records related to the inventory tracking system and video surveillance, following a request from
2 any law enforcement officer of the city, inspector of the city, or other city official, during normal
3 business hours or hours of apparent operation, and must provide access to off-premises records
4 within three (3) business days following a request.

5 (e) *Background checks.* Prior to the issuance of any local license, the director may make a
6 finding and determination as to the applicant's compliance with section 44-10-307, C.R.S., as
7 amended. In so doing, the director may incorporate any findings previously made by the state
8 licensing authority and consider whether convictions, including marijuana convictions, pose a threat
9 to the regulation or control of marijuana. The director shall not be required to perform a criminal
10 background check if the state licensing authority has already performed a criminal background
11 check on the applicant.

12 (f) *Shared premises of a medical and retail marijuana business.* Medical and retail marijuana
13 businesses may only share the same licensed premises to the extent allowed by the Colorado
14 Marijuana Code.

15 (g) *Social impact plan to be made public.* Medical and retail marijuana businesses shall
16 ensure that social impact plans on file with the department are made publicly available.

17 **Sec. 6-209. - Marijuana store licenses.**

18 (a) *Operational requirements.* In addition to the provisions applicable to all licenses, all
19 medical and retail marijuana store licensees shall comply with the following provisions:

20 (1) Medical and retail marijuana stores shall not transfer, sell, or otherwise distribute
21 cannabis between the hours of 12:00 a.m. and 8:00 a.m. daily.

22 (2) Medical and retail marijuana stores shall not transfer, sell, or otherwise distribute
23 more regulated marijuana in a single transaction to a consumer than the lawful amounts related to
24 possession and sale set forth in state law. A single transaction includes multiple transfers, sales, or
25 distributions to the same consumer during the same business day where the medical or retail
26 marijuana store employee knows or reasonably should know that such transfer, sale, or distribution
27 would result in that consumer possessing or being sold more than the amounts set forth in state
28 law.

29 (3) Beginning October 1, 2021, medical and retail marijuana stores shall install and
30 use a safe in a limited access area, which shall be incorporated into the building structure or securely
31 attached thereto, for overnight storage of all processed cannabis and cash. For marijuana-infused
32 products that must be kept refrigerated or frozen, the establishment may lock the refrigerated
33 container or freezer, so long as the appliance is affixed to the building structure. The director may

1 approve security devices such as vaults and strong rooms that are functionally equivalent to safes.

2 (4) Medical and retail marijuana stores shall not provide walk-up or drive-up window
3 service or curbside pickup. All transactions must occur within a licensed premises. A medical or
4 retail marijuana store may provide for walk-up or drive-up window service or curbside pickup service
5 pursuant to, and in compliance with, an emergency rule promulgated by the state ~~or~~-licensing
6 authority to promote social distancing during COVID-19 or an emergency rule by the Department.

7 (b) *Proximity Restrictions.* No medical or retail marijuana store license shall be issued if the
8 proposed location is within 1,000 feet of one or more of the following locations:

9 (1) Any school, with the distance computed by direct measurement in a straight line
10 from the nearest legal parcel line of the land used for the school to the nearest external portion of
11 the building in which the marijuana store is proposed to be located.

12 (2) Any child care establishment, with the distance computed by direct measurement
13 in a straight line from the nearest legal parcel line of the land used for the child care establishment
14 to the nearest external portion of the building in which the marijuana store is proposed to be located.

15 (3) Any other medical or retail marijuana store licensed pursuant to this article V, with
16 the distance computed by direct measurement in a straight line from the nearest external portion of
17 the building in which one (1) store is located to the nearest external portion of the building in which
18 the other store is proposed to be located. In the event that the department receives two or more
19 applications for a medical or retail marijuana store with proposed locations within one thousand
20 (1,000) feet of each other, the director shall act upon only the first complete application received
21 and shall not issue a license to subsequent applications proposing to be located within one thousand
22 (1,000) feet, except as set forth in subsection (6).

23 (4) Any alcohol or drug treatment facility, with the distance computed by direct
24 measurement in a straight line from the nearest external portion of the building in which the alcohol
25 or drug treatment facility is located to the nearest external portion of the building in which the
26 marijuana store is proposed to be located.

27 (5) Any location where, within the two (2) years preceding the date of the application,
28 the director denied an application for a medical or retail marijuana store license because the
29 reasonable requirements of the neighborhood and the desires of the adult inhabitants were satisfied
30 by the existing outlets or the adult inhabitants did not otherwise need or desire an additional medical
31 or retail marijuana store license.

32 (6) The proximity restrictions in paragraphs (2), (3) and (4) shall not apply to any
33 application for a retail marijuana store that proposes to share a location with a licensed medical

1 marijuana store that has existed in continuous operation and can demonstrate common ownership
2 with that same medical marijuana store license.

3 (c) *Location restrictions.* No medical or retail marijuana store shall be issued at the following
4 locations:

5 (1) Within any residential zone district as defined by the Denver Zoning Code or
6 Former Chapter 59, in any MS-2, MS-2x, MX-2, MX-2A or MX-2x zone district as defined by the
7 Denver Zoning Code or Former Chapter 59, or in any location where retail sales are prohibited by
8 the Denver Zoning Code, Former Chapter 59, or by any ordinance governing a planned unit
9 development.

10 (2) Within any location within a neighborhood of undue concentration of marijuana
11 store locations at the time of the application. This location restriction shall not apply to an application
12 submitted to change location of a medical or retail marijuana store license within a neighborhood of
13 undue concentration of marijuana store locations changing to a location within the same
14 neighborhood of undue concentration of store locations.

15 (3) Within any location where, within the one (1) year preceding the date of the
16 application, the director scheduled a public hearing for an application for a medical or retail
17 marijuana store license and the application was subsequently withdrawn prior to final action by the
18 director on the application.

19 (4) The restrictions in paragraphs (1) and (2) shall not apply to any application for a
20 retail marijuana store that proposes to share a location with a licensed medical marijuana store that
21 has existed in continuous operation and can demonstrate common ownership with that same
22 medical marijuana store license.

23 (d) *Public hearing.* A public hearing shall be required prior to the issuance of a medical or
24 retail marijuana store license. All such public hearings shall be subject to the following provisions:

25 (1) Upon receipt of an application for a medical or retail marijuana store license, the
26 director shall schedule a public hearing no less than thirty (30) days after the date the application is
27 received by the department. The applicant shall have the burden of proving by a preponderance of
28 the evidence its qualifications for the license.

29 (2) No less than ten (10) days prior to the public hearing, the department shall post
30 public notice of the hearing by posting a sign on the proposed premises in a manner that is
31 conspicuous and plainly visible to the general public and by publication in a newspaper of general
32 circulation. Public notice by posting must include a sign of suitable material, not less than twenty-
33 two (22) inches wide and twenty-six (26) inches high, composed of letters not less than one (1) inch

1 in height and stating the type of license applied for, the date of the application, the date of the
2 hearing, the name and address of the applicant, the names and addresses of the officers, directors,
3 or manager of the facility to be licensed, and such other information as may be required to fully
4 apprise the public of the nature of the application. Notice given by publication shall contain the same
5 information as that required for signs.

6 (3) No less than ten (10) days prior to the public hearing, the director shall designate
7 the neighborhood being affected by such application. The designation of the geographical extent
8 and boundaries of such neighborhood shall be determined according to Department policy.

9 (4) Not less than five (5) days prior to the date of hearing, the director shall make
10 known the director's findings based on the director's initial investigation of the application documents
11 in writing to the applicant and other interested parties. The failure of the director to make these
12 findings known five (5) days prior to the date of the public hearing shall not preclude the director
13 from later determining that the application should be approved or denied.

14 (5) At the public hearing, any party in interest shall be allowed to present evidence
15 and to cross-examine witnesses.

16 (6) Before entering any decision approving or denying the application, the director may
17 consider the facts and evidence adduced as a result of their investigation and the public hearing
18 required by this section and any other pertinent matters affecting the qualifications of the applicant,
19 including:

- 20 a. The number and availability of licenses of the same type in or near the
21 neighborhood;
- 22 b. Whether the issuance of the license would create a neighborhood of undue
23 concentration of marijuana store locations;
- 24 c. The reasonable requirements of the neighborhood and the desires of the
25 adult inhabitants therein as evidenced by petitions, remonstrances, or otherwise; and
- 26 d. The provisions of this article V and chapter 32 of this Code, or any rules and
27 regulations adopted pursuant thereto.

28 (7) Unless additional time is necessary to fully investigate an application, any decision
29 of the director approving or denying an application shall be in writing stating the reasons therefor,
30 within thirty (30) days after the date of the public hearing, and a copy of such decision shall be sent
31 by certified mail to the applicant at the address shown in the application. The failure of the director
32 to issue a final decision within thirty (30) days after the date of the public hearing shall not preclude
33 the director from later determining that the application should be approved or denied.

1 **Sec. 6-210. – Marijuana delivery permits.**

2 (a) *Marijuana Delivery – authorized.* Beginning July 1, 2021, local marijuana delivery permits
3 may be issued to a medical or retail marijuana store or a medical or retail marijuana transporter in
4 order to deliver regulated marijuana to private residences of customers and patients, subject to the
5 provisions the Colorado Marijuana Code and the provisions of this section. ~~The director may issue~~
6 ~~a single marijuana delivery permit to multiple medical or retail marijuana businesses with identical~~
7 ~~controlling beneficial owners, in accordance with the Colorado Marijuana Code, to exercise the~~
8 ~~privileges authorized under this article V.~~

9 (b) *Delivery permit restrictions.* The following restrictions shall be placed on marijuana
10 delivery permits issued pursuant to this article V:

11 (1) Prior to July 1, 2024, only medical or retail marijuana transporters who qualify as
12 a social equity applicant as defined in this article and hold a valid license and a delivery permit
13 issued pursuant to this article V may deliver regulated marijuana to private residences of customers
14 and patients, subject to the provisions the Colorado Marijuana Code.

15 (2) On and after July 1, 2024, all medical and retail marijuana transporters and medical
16 and retail marijuana stores holding a valid license and a delivery permit issued pursuant to this
17 article V may deliver regulated marijuana to private residences of customers and patients, subject
18 to the provisions the Colorado Marijuana Code.

19 (c) *Operational requirements.* In addition to the provisions applicable to all licenses, a
20 medical marijuana store, retail marijuana store, medical marijuana transporter, or retail marijuana
21 transporter holding a marijuana delivery permit shall comply with the following provisions:

22 (1) Marijuana delivery permittees shall not make or complete deliveries of cannabis
23 between the hours of 12:00 a.m. and 8:00 a.m. daily.

24 (2) Marijuana delivery permittees shall use an electronic scanner to scan the ID of the
25 person to whom regulated marijuana is being delivered at the point of transferring any regulated
26 marijuana to the customer or patient.

27 (3) Marijuana delivery permittees shall retain a copy of the marijuana delivery permit
28 in the delivery motor vehicle while conducting deliveries of regulated marijuana and exhibit the
29 permit upon the request of any law enforcement official of the city, inspector of the city, or other city
30 official.

31 (4) All persons in the delivery motor vehicle shall be required to hold and properly
32 display an identification badge issued by the state licensing authority while conducting deliveries of
33 regulated marijuana. Proper display of the identification badge shall consist of wearing the badge in

1 a plainly visible manner, at or above the waist, and with the photo of the individual visible. The badge
2 shall not be altered, obscured, damaged, or defaced in any manner.

3 (5) Marijuana delivery permittees shall keep a record of sale, such as a receipt, for all
4 cannabis contained in their vehicle. An enclosed delivery motor vehicle shall not contain more than
5 \$5,000 in retail value of cannabis. A delivery motor vehicle that is not enclosed shall not contain
6 more than \$2,000 in retail value of cannabis.

7 (7) Marijuana delivery permittees shall not deliver more regulated marijuana to a
8 person than the amounts set forth in state law per day, nor shall the permittee deliver to a person
9 or primary residence the permittee knows or reasonably should know that the person or primary
10 residence has already received a delivery during the same business day. This does not prohibit
11 delivery of regulated marijuana to another person at the residence at the same time.

12 (d) *Report to City Council.* The director shall report in writing to city council by July 1, 2023
13 regarding the operation of the delivery program.

14 **Sec. 6-211. - Marijuana cultivation facility licenses.**

15 (a) *Operational requirements.* In addition to the provisions applicable to all licenses, all
16 medical and retail marijuana cultivation facility licensees shall comply with the following provisions:

17 (1) Medical and retail marijuana cultivation facilities may only plant, grow, harvest,
18 store, dry, trim, or process marijuana inside of a completely enclosed structure within a limited
19 access area. A marijuana cultivation facility may transport regulated marijuana in an outdoor portion
20 of its limited access area only if the outdoor portion of the licensee's limited access area complies
21 with state and local laws and regulations applicable to outdoor limited access areas for medical and
22 retail marijuana cultivation facilities.

23 (b) *Proximity restrictions.* No medical or retail marijuana cultivation facility license shall be
24 issued within 1,000 feet of one or more of the following locations:

25 (1) Any school, with the distance computed by direct measurement in a straight line
26 from the nearest legal parcel line of the land used for school to the nearest external portion of the
27 building in which the medical or retail marijuana cultivation facility is proposed to be located.

28 (2) Any residential district as defined in the Denver Zoning Code or Former Chapter
29 59, with the distance computed by direct measurement in a straight line from the nearest legal parcel
30 line of any property in the residential district to the nearest external portion of the building in which
31 the medical or retail marijuana cultivation facility is proposed to be located.

32 (3) The provisions of this subsection (b) shall not apply to any application for a new
33 retail marijuana cultivation facility that is proposed at the same location as an existing medical or

1 retail marijuana cultivation facility. However, these proximity restrictions shall apply to any
2 application submitted to change location of a medical or retail marijuana cultivation facility license
3 pursuant to section 6-220 of this Code.

4 (c) *Location restrictions.* No medical or retail marijuana cultivation facility license shall be
5 issued at the following locations:

6 (1) Within any zone district where, at the time of application, plant husbandry is not a
7 permitted primary use under the Denver Zoning Code or Former Chapter 59. This paragraph (1)
8 shall not apply to an application proposing to locate a medical or retail marijuana cultivation facility
9 in a zone district where plant husbandry is not a permitted primary use but is already occurring as
10 a compliant or nonconforming use under the Denver Zoning Code or Former Chapter 59, if and only
11 if the applicant meets the following requirements:

12 a. A zoning permit for plant husbandry was applied for upon the same zone lot
13 on or before July 1, 2010;

14 b. The applicant can show that an optional premises cultivation license upon
15 the same zone lot was applied for with the state medical marijuana licensing authority on or before
16 August 1, 2010, in accordance with § 12-43.3-103(1)(b), C.R.S; and

17 c. The applicant can produce documentary or other empirical evidence to the
18 satisfaction of the director that the cultivation of medical marijuana commenced on the zone lot prior
19 to January 1, 2011.

20 (2) Within any neighborhood of undue concentration of cultivation facility locations at
21 the time of application. This paragraph (2) shall not apply to any application proposing to locate a
22 new retail marijuana cultivation facility at the same location as a medical or retail marijuana
23 cultivation facility license. However, this location restriction shall apply to any application submitted
24 to change location of a medical or retail marijuana cultivation facility license into a neighborhood of
25 undue concentration of cultivation facility locations pursuant to section 6-221 of this Code.

26 (3) Within or upon the licensed premises of a medical or retail marijuana cultivation
27 facility license, except as provided in section 6-208(e) of this Code. No more than one (1) medical
28 marijuana cultivation facility license and one (1) retail marijuana cultivation facility license may share
29 the same licensed premises.

30 **Sec. 6-212. - Marijuana products manufacturer licenses.**

31 (a) *Licensing requirements.* In addition to the provisions applicable to all licenses, all medical
32 and retail marijuana products manufacturer licensees shall comply with all requirements applicable
33 requirements of chapter 23 of this Code, and rules and regulations adopted pursuant thereto.

1 (b) *Location restrictions.* No medical or retail marijuana products manufacturer license shall
2 be issued within any zone district where, at the time of application, “food preparation and sales,
3 commercial,” “manufacturing, fabrication and assembly, general,” or “manufacturing, fabrication and
4 assembly, heavy” is not permitted by the Denver Zoning Code or Former Chapter 59. Any zone lot
5 where any person qualified as a “locally approved” medical marijuana-infused product manufacturer
6 as of July 1, 2010, in accordance with former subsection 24-411(c) of this Code and the former
7 Colorado Medical Marijuana Code may also qualify for licensing under this section provided such
8 manufacturing is considered a compliant or nonconforming use in that location under the Denver
9 Zoning Code or Former Chapter 59.

10 **Sec. 6-213. - Marijuana testing facility license.**

11 (a) *Location restriction.* No medical or retail marijuana testing facility license shall be issued
12 within any zone district where, at the time of application, "laboratory, research, development, and
13 technological services" is not permitted by the Denver Zoning Code or Former Chapter 59.

14 **Sec. 6-214. - Marijuana transporter license.**

15 (a) *Operational requirements.* In addition to the provisions applicable to all licenses, all
16 medical and retail marijuana transporter licensees shall comply with the following provisions:

17 (1) Medical and retail marijuana transporter licensees shall not possess unsealed
18 packages or containers of cannabis on the licensed premises.

19 (2) Medical and retail marijuana transporter licensees shall not open sealed packages
20 or containers of cannabis.

21 (3) Medical and retail marijuana transporter licensees shall not re-package cannabis
22 on the licensed premises.

23 (4) Medical and retail marijuana transporter licensees shall not sell, cultivate,
24 manufacture, process, test, or consume cannabis upon the licensed premises.

25 (5) Medical and retail marijuana transporters that do not maintain a licensed premises
26 within the city shall not temporarily store cannabis or otherwise exercise any license privileges for
27 which a licensed premises would be required.

28 (b) *Location restriction.* No medical or retail marijuana transporter license that maintains a
29 licensed premises within the city shall be issued to an applicant proposing to locate a licensed
30 premises within any zone district where, at the time of application, “terminal, freight, air courier
31 services” is not permitted by the Denver Zoning Code or Former Chapter 59. The director may issue
32 a medical or retail marijuana transporter license to an applicant that does not maintain a licensed
33 premises within the city for the sole purpose of conducting deliveries of regulated marijuana within

1 the city.

2 **Sec. 6-215. - Marijuana off-premises storage facility permit.**

3 (a) *Off-premises storage – authorized.* A medical or retail marijuana store, medical or retail
4 marijuana transporter, medical or retail marijuana cultivation facility, medical or retail marijuana
5 products manufacturer, or medical or retail marijuana testing facility holding a valid Denver license
6 may apply for an off-premises storage permit to store finished goods and inventory belonging to the
7 corresponding licensee, subject to the provisions of this article V and the Colorado Marijuana Code.

8 (b) *Operational requirements.* In addition to the provisions applicable to all licenses, all
9 medical and retail marijuana off-premises storage facility permittees shall comply with the following
10 provisions:

11 (1) The off-premises storage facility shall constitute an extension of the marijuana
12 business’s licensed premises and shall comply with all state and local laws and regulations
13 applicable to the corresponding license type.

14 (2) Except as provided herein, a medical or retail marijuana off-premises storage
15 facility permittee shall not possess unsealed packages or containers of cannabis on the licensed
16 premises, open sealed packages or containers of cannabis on the licensed premises, or re-package
17 cannabis on the licensed premises. A marijuana store with a valid delivery permit may use its own
18 off-premises storage facility permit to package, label, and fill orders for delivery of regulated
19 marijuana to a patient or customer after the marijuana store receives an order for delivery.

20 (3) A medical or retail marijuana off-premises storage facility permittee shall not sell,
21 cultivate, manufacture, process, test, or consume cannabis upon the licensed premises.

22 (c) *Limitation on number of permits.* Except for a medical or retail marijuana transporter
23 license issued pursuant to this article V, no more than one off-premises storage facility permit may
24 be issued to each eligible licensee.

25 (d) *Location restrictions.* No medical or retail marijuana off-premises storage facility permit
26 shall be issued at the following locations:

27 (1) Within any zone district where, at the time of application for the permit, “wholesale
28 trade or storage, general” is not a permitted use under the Denver Zoning Code or Former Chapter
29 59, if the off-premises storage permit is issued for a medical or retail marijuana store, medical or
30 retail marijuana cultivation facility, medical or retail marijuana products manufacturer, or medical or
31 retail marijuana testing facility.

32 (2) Within any zone district where, at the time of application for the permit, “terminal,
33 freight, air courier services” is not a permitted use under the Denver Zoning Code or Former Chapter

1 59, if the off-premises storage permit is issued for a medical or retail marijuana transporter.

2 **Sec. 6-216. - Marijuana research and development license.**

3 (a) *Licensing requirements.* In addition to the provisions applicable to all licenses, all medical
4 research and development facility licensees shall comply with the following provisions:

5 (1) Marijuana research and development licensees that plant, grow, harvest, store,
6 dry, trim, or process regulated marijuana shall ensure that their licensed premises is completely
7 encompassed within the licensed premises of a medical or retail marijuana cultivation facility.
8 Cultivation shall be conducted in accordance with all state and local laws and regulations.

9 (2) Marijuana research and development licensees that manufacture or process
10 regulated marijuana shall ensure that all manufacturing and processing activities are conducted in
11 compliance with all state and local laws and regulations related to marijuana products
12 manufacturers.

13 (3) All marijuana research and development licensees shall submit to the department
14 a copy of every research project approved by the state licensing authority.

15 (4) Marijuana research and development licensees shall not permit the consumption
16 of cannabis upon the licensed premises unless the consumption occurs pursuant to an approved
17 research project and in compliance with state and local laws and regulations.

18 (5) Marijuana research and development licensees shall not sell or transfer regulated
19 marijuana from the licensed premises unless the sale or transfer is made to another medical
20 marijuana research and development license or the sale or transfer is made pursuant to an
21 approved research project and in compliance with all state and local laws and regulations.

22 **Sec. 6-217. - Reserved.**

23 **Sec. 6-218. - Reserved.**

24 **Sec. 6-219. - Transfers of ownership.**

25 (a) *In general.* All medical marijuana or retail marijuana businesses shall be transferable from
26 one (1) person to another upon approval by the director. In addition to the requirements of this
27 section 6-219, transfers of marijuana transporter licenses shall be subject to limitations set by state
28 law. The director shall not accept an application to transfer ownership of a marijuana off-premises
29 storage facility permit or marijuana delivery permit associated with a marijuana business license
30 unless the applicant has applied to transfer ownership of the associated marijuana business license.

31 (b) *Licenses held by social equity applicants - transferable.* Prior to July 1, 2027, any license
32 held by social equity applicants shall be transferable either to other social equity applicants or non-
33 social equity applicants so long as fifty-one percent (51%) or more of the license is held by one or

1 more social equity ~~licensees~~applicants. After July 1, 2027, licenses held by social equity applicants
2 shall be transferable either to other social equity applicants or non-social equity applicants upon
3 approval by the director. The provisions of this subsection (b) are in addition to those in subsection
4 (a).

5 (c) *Application requirements.* All applications to transfer ownership of a local medical or retail
6 marijuana business license shall be made in the manner provided by the director. In addition to
7 information required by chapter 32 of this Code, the application shall contain any supplemental
8 materials the director deems necessary to implement or enforce this article V and the Colorado
9 Marijuana Code.

10 (d) *Corresponding state license.* The director shall not approve an application to transfer
11 ownership of a local medical or retail license unless the applicant produces written documentation
12 from the state licensing authority approving the same transfer of ownership of the corresponding
13 state license recorded upon the face of the local license.

14 (e) *Common ownership.* If one (1) or more licenses share the same licensed premises, an
15 application to transfer ownership of any one of the licenses shall not be approved if the transfer
16 would result in that license no longer having common ownership with the licenses sharing the same
17 licensed premises.

18 (f) *Effect of transfers on proximity and location restrictions.* The transfer of ownership of a
19 medical or retail marijuana business license shall not affect any exemption that the licensed
20 premises may enjoy from proximity or location restrictions set forth in this article V.

21 **Sec. 6-220. - Change of location.**

22 (a) *In general.* A licensee shall not change location of its license without prior approval from
23 the director. In addition to the requirements in this section, a change of location application for a
24 medical or retail marijuana business shall comply with the same requirements for new marijuana
25 business licenses, including by way of example: public hearing requirements, proximity restrictions,
26 and location restrictions.

27 (b) *Application requirements.* All applications to change location of a medical or retail
28 marijuana business license shall be made in the manner provided by the director. In addition to
29 information required by chapter 32 of this Code, the application shall contain any supplemental
30 materials the director deems necessary to implement or enforce this article V and the Colorado
31 Marijuana Code.

32 (c) *Corresponding state license.* The director shall not approve an application to change the
33 location of a local medical or retail marijuana license unless the applicant produces written

1 documentation from the state licensing authority approving the same change of location of the
2 corresponding state license recorded upon the face of the local license, or a transition permit for the
3 same.

4 (d) *Transition permits.* Once a change of location application has been approved by the
5 director, a licensee may not begin operating at the new location until operations have ceased at the
6 former location. However, a licensee may temporarily operate at both the new location and former
7 location if the licensee holds a valid transition permit from the state licensing authority, and in
8 compliance with all state and local requirements.

9 (e) *Change of location of marijuana stores.* An application to change location of a medical or
10 retail marijuana store license shall not be approved unless:

11 (1) All other medical or retail marijuana cultivation facility license(s) and medical or
12 retail marijuana store license(s) at the former location have likewise apply to change to the same
13 new location; or

14 (2) All other medical or retail marijuana cultivation facility licenses(s) and medical or
15 retail marijuana store license(s) at the former location are surrendered.

16 (f) *Change of location of a marijuana cultivation facility.* An application to change location of
17 a medical or retail marijuana cultivation facility license shall not be approved unless:

18 (1) All other medical or retail marijuana cultivation facility license(s) and medical or
19 retail marijuana store license(s) at the former location likewise apply to change to the same new
20 location;

21 (2) All other medical or retail marijuana cultivation facility license(s) and medical or
22 retail marijuana store license(s) at the former location are surrendered; or

23 (3) The application proposes that the medical or retail marijuana cultivation facility
24 license will change to a location where another medical or retail marijuana cultivation facility is
25 licensed.

26 **Sec. 6-221. – Modification of premises.**

27 (a) *In general.* A licensee shall not make any physical change, alteration, or modification of
28 the licensed premises that materially or substantially alters the licensed premises or the usage of
29 the licensed premises from the plans originally approved by the department without approval from
30 the director. Any change or modification to the licensed premises that does not require an
31 application must be disclosed to the department in a manner provided by the director.

32 (b) *Application requirements.* All applications to modify the licensed premises of a retail or
33 medical marijuana business shall be made in the manner provided by the director. In addition to

1 information required by chapter 32 of this Code, the application shall contain any supplemental
2 materials the director deems necessary to implement or enforce this article V and the Colorado
3 Marijuana Code.

4 (c) *Effect of modifications on proximity and location restrictions.* Approved modifications to
5 the licensed premises of a medical or retail marijuana business license shall not affect any
6 exemption that the licensed premises may enjoy from proximity or location restrictions set forth in
7 this article V. The director shall deny any application in which the modification of a medical or retail
8 marijuana business would decrease the distance between the nearest external portion of the
9 building in which the medical or retail marijuana business is located and a site or area protected by
10 proximity or location restrictions in this article V.

11 **Sec. 6-222. - Term of licenses; renewals.**

12 (a) *Term.* A local license or permit issued pursuant to this article V shall be valid for a period
13 of one (1) year from the date of issuance.

14 (b) *Cease operations—required.* Except where the director has received a complete renewal
15 application along with the requisite fees, it shall be unlawful for any person to manufacture, test,
16 receive orders for, sell, distribute, transfer, transport, or otherwise remove cannabis from the
17 licensed premises of a medical or retail marijuana business, or to allow any other person to perform
18 these acts, after the expiration date on the face of any local license issued pursuant to this article V
19 for that location.

20 (c) *Application materials and deadlines.* Any renewal of a medical or retail marijuana
21 business license or permit shall be governed by the standards and procedures set forth in chapter
22 32 of this Code. Applications to renew a medical or retail marijuana business shall be made in the
23 manner provided by the director. In addition to the information required by chapter 32 of this Code,
24 applications shall contain the following information:

25 (1) A copy of any notice of violation or disciplinary action taken by the department or
26 the state licensing authority against the license or permit being renewed within the previous licensing
27 year;

28 (2) A social impact plan containing the information required by the director. The social
29 impact plan submitted at renewal shall also identify outcomes resulting from the social impact plan
30 in place during the previous licensing year using the specific metrics identified in the social impact
31 plan for measuring the success of its programs; and

32 (3) Any supplemental materials the director deems necessary to implement or enforce
33 this article V and the Colorado Marijuana Code.

1 (d) *Denial of renewal.* An application to renew a medical or retail marijuana business license
2 or permit may be denied if there are causes for denial, suspension, revocation, non-renewal or other
3 licensing sanctions as provided in chapter 32 of this Code, this article V, or rules and regulations
4 promulgated thereto.

5 (e) *Renewal hearing.* The director may set a hearing on the renewal of a medical or retail
6 marijuana business application in accordance with the requirements of the Colorado Marijuana
7 Code and chapter 32 of this Code if:

8 (1) There are causes for denial, suspension, revocation, non-renewal or other
9 licensing sanctions as provided in chapter 32 of this Code, this article V, or rules and regulations
10 promulgated thereto;

11 (2) In the case of a medical or retail marijuana cultivation facility operating in a zone
12 district where plant husbandry is not a permitted primary use but is already occurring as a compliant
13 or nonconforming use under the zoning code pursuant to section 6-211 of this Code, there is
14 evidence to indicate that:

15 a. The existence of the cultivation facility has frustrated the implementation of
16 the city's comprehensive plan or any adopted neighborhood plan applicable to the subject property;

17 b. The existence of the cultivation facility has negatively affected nearby
18 properties or the neighborhood or nearby property values, including by way of example any adverse
19 effects caused by excessive noise, odors, or vehicular traffic;

20 c. The existence of the cultivation facility has caused crime rates to increase in
21 the surrounding neighborhood; or

22 d. The applicant or any person from whom the applicant acquired a marijuana
23 business failed to meet one (1) or more of the requirements specified in section 6-211(c)(1), or a
24 renewal hearing may be set pursuant to subsections (1) or (2) of this section.

25 **Sec. 6-223. - Causes for denial.**

26 (a) In addition to the grounds set forth in the Colorado Marijuana Code and chapter 32 of this
27 Code, any application submitted pursuant to this article V shall be denied if:

28 (1) The issuance of a license or permit to the applicant or licensee would not comply
29 with any applicable state or local law, including but not limited to, the Colorado Marijuana Code, this
30 article V, and any rules and regulations adopted pursuant thereto;

31 (2) The applicant or licensee fails to prove by a preponderance of the evidence that
32 the reasonable requirements of the neighborhood and the desires of the adult inhabitants therein
33 support the issuance of a medical or retail marijuana store license;

1 (3) The issuance of a license at the subject location would create a neighborhood of
2 undue concentration;

3 (4) A second or additional license to the same applicant would have the effect of
4 restraining competition;

5 (5) The applicant or licensee has previously operated a licensed premises in a manner
6 that adversely affects the public health, welfare, or the safety of the immediate neighborhood in
7 which the business is located;

8 (6) The applicant or licensee has failed to comply with any terms or conditions that
9 were placed on its license or permit pursuant to an order of the director or state licensing authority;

10 (7) The applicant or licensee fails to provide a valid lease, rental agreement, or other
11 documented arrangement for possession showing that the applicant or licensee is entitled to
12 possession of the premises identified in the application;

13 (8) The applicant or licensee fails to complete any required inspections or obtain any
14 necessary permits for the proposed premises;

15 (9) The applicant or licensee fails to obtain or maintain a corresponding state license
16 or permit that is in full compliance with the Colorado Marijuana Code and any other applicable state
17 law or regulation;

18 (10) The applicant or licensee has violated or has failed to comply with any applicable
19 regulatory or administrative provisions of state or local laws regulating marijuana, or rules and
20 regulations adopted pursuant thereto; or

21 (11) The applicant or licensee's criminal character or criminal record poses a threat to
22 the regulation or control of marijuana, subject to the provisions of section 44-10-307, C.R.S, as
23 amended. In doing so, the director may incorporate any findings as to residency, moral character,
24 and criminal character or history, including marijuana convictions, previously made by the state
25 licensing authority.

26 **Sec. 6-224. - Unlawful acts.**

27 (a) It shall be unlawful for any person to operate any medical or retail marijuana business in
28 the city without a state and local license or permit authorizing the activity and in compliance with all
29 state and local laws.

30 (b) It shall be unlawful for any medical or retail marijuana business to violate any provision of
31 this article V, the Colorado Marijuana Code, or any rule or regulation adopted pursuant thereto.

32 (c) It shall be unlawful for any medical or retail marijuana business to use any advertising
33 material that is misleading, deceptive, or false, or that, as evidenced either by the content of the

1 advertising material or by the medium or the manner in which the advertising is disseminated, is
2 designed to appeal to minors.

3 (d) Except as otherwise provided in this subsection (d), it shall be unlawful for any person to
4 advertise regulated marijuana anywhere in the city where the advertisement is visible to members
5 of the public from any street, sidewalk, park or other public place as defined in 38-175(b)(3),
6 including advertising utilizing any of the following media: any billboard or other outdoor general
7 advertising device as defined by the zoning code; any sign mounted on a vehicle, any hand-held or
8 other portable sign; or any handbill, leaflet or flier distributed in a public place, left upon a motor
9 vehicle, or posted upon any public or private property. The prohibition set forth in this subsection
10 (d) shall not apply to:

11 (1) Any fixed sign located on the same zone lot as a medical or retail marijuana
12 business which exists solely for the purpose of identifying the location of the business and which
13 otherwise complies with the Denver Zoning Code and any other applicable city laws and regulations;
14 or

15 (2) Any advertisement contained within a newspaper, magazine, or other periodical of
16 general circulation within the city;

17 (3) Advertising which is purely incidental to sponsorship of a charitable event by a
18 medical or retail marijuana business; or

19 (4) Apparel, consumer goods, or paraphernalia containing only a marijuana business's
20 name, logo, or distinct design features.

21 (e) Prior to January 1, 2024, it shall be unlawful for any person to deliver regulated marijuana
22 within the city without first obtaining a medical or retail marijuana transporter license from the
23 department and a corresponding delivery permit. On and after January 1, 2024, it shall be unlawful
24 for any person to deliver regulated marijuana within the city without first obtaining a medical or retail
25 marijuana transporter license from the department and corresponding marijuana delivery permit or
26 medical or retail marijuana store license from the department and corresponding marijuana delivery
27 permit.

28 **Sec. 6-225. - Disciplinary actions; sanctions; penalties.**

29 (a) *In general.* Procedures for investigation of license violations and for suspension,
30 revocation or other licensing sanctions as a result of any such violation shall be as provided in
31 chapter 32 of this Code and any rules and regulations promulgated by the director.

1 (b) *Disciplinary actions.* In addition to the grounds provided in chapter 32 of this Code, a
2 medical or retail marijuana business license may be suspended or revoked for any of the grounds
3 for denial set forth in this article V.

4 (c) *Civil penalties in lieu of fine.* In lieu of the maximum fine for license violations set forth in
5 section 32-30(c), the director is hereby authorized to impose civil penalties for license violations in
6 the same amount as the Colorado Marijuana Enforcement Division in imposing fines for state license
7 violations under the Colorado Marijuana Code.

8 (d) *State license.* The director may suspend or revoke any license if the corresponding state
9 license for the subject location is expired, surrendered, suspended, or revoked.

10 **Sec. 6-226. - Rules and regulations.**

11 (a) The director may adopt such reasonable rules and regulations as may be necessary for
12 the administration and enforcement of the provisions of this article and any other ordinances or laws
13 relating to and affecting the licensing and operation of medical and retail marijuana businesses.

14 (b) The board of public health and environment may adopt such reasonable rules and
15 regulations as may be necessary for the protection of public health related to the operation of
16 medical and retail marijuana businesses and cannabis.

17 (c) The manager of the department of public health and environment of the City and County
18 of Denver may issue orders to any licensee to comply with this article V and the rules and regulations
19 of the board. It shall be unlawful for any person to knowingly fail to comply with an order of the
20 manager.

21 (d) It shall be unlawful for any person to violate a rule or regulation adopted by the board or
22 the director pursuant to this section.

23
24 **Section 3.** Article XII of Chapter 24 shall be repealed. Upon repeal, all medical marijuana
25 business licenses issued pursuant to this article shall be governed by article V of chapter 6 of this
26 Code.

27
28 **Section 4.** Amend Article 1 of Chapter 32 by adding the language underlined and deleting
29 the language stricken, to read as follows:

30 **ARTICLE I. – IN GENERAL**

31 **Sec. 32-2. - Application.**

32 (a) The application for every license required by and issued under the authority of this chapter
33 shall be made to the director of excise and licenses ~~on forms to be~~ in the manner provided by
34 the director. Applications shall be deemed incomplete and will not be accepted if they do not contain

1 the information required for the particular license sought, as specified in this Code and any
2 regulations promulgated thereto, and any other relevant information required by the director, which
3 shall contain:

4 (1) ~~The name of the person desiring such license;~~

5 (2) ~~The residence of such applicant, or of each of the individual members of such firm,~~
6 ~~or of each of the directing officers of such corporation and its principal place of business;~~

7 (3) ~~The kind of license desired, stating business, trade or profession to be performed,~~
8 ~~practiced or carried on;~~

9 (4) ~~The grade of license desired, if such licenses are divided into grades;~~

10 (5) ~~The street address, if any, where such business is to be carried on;~~

11 (6) ~~The year for which such license is sought; and~~

12 (7) ~~Any other relevant information required by the terms of the provisions pertaining~~
13 ~~to the particular license sought or any other relevant information required by the director of excise~~
14 ~~and licenses.~~

15 (b) ~~Application fees for licenses as provided in article II of this chapter shall not be refunded~~
16 ~~to the applicant if the issuance of the license is denied, the application is withdrawn, or for any other~~
17 ~~reason, after the application is filed and the application fee paid, neither shall application fees be~~
18 ~~applied to or deducted from license fees.~~

19 (bc) ~~Any application for local licensing submitted pursuant to this chapter 32 shall be~~
20 ~~completed within one (1) year of the date the application is filed and the application fee paid. Except~~
21 ~~as provided in this subsection (c), applications that remain pending after the expiration of the one-~~
22 ~~year time period shall be administratively closed Pending applications shall be administratively~~
23 ~~closed without a hearing one year after the date of application or thirty (30) days after the applicant's~~
24 ~~failure to submit additional documents requested by the director. and the director shall deny the~~
25 ~~issuance of a license. Once an application expires, is administratively closed, the applicant must~~
26 ~~begin the licensing process anew. At the director's discretion, the director may reopen an application~~
27 ~~that has been administratively closed extend the application period or approve the issuance of a~~
28 ~~license for applications that remain pending beyond the one-year time period if the applicant can~~
29 ~~produce, within thirty (30) days after administrative closure the expiration of the one-year time~~
30 ~~period, documentary or other empirical evidence to establish good cause for the failure to complete~~
31 ~~the application process.~~

32 (c) The director may refund application fees for administratively closed or withdrawn
33 applications upon a showing of good cause.

1 (d) For purposes of this section 32-2, the term "good cause" means the failure to complete
2 the application process occurred due to circumstances outside of the applicant's control.

3 **Sec. 32-3. – When to apply; late applications Reserved.**

4 ~~(a) Any licensee may make application to renew a license for another year and pay the~~
5 ~~required fee therefor, on or before the expiration date of any license issued to the licensee. Unless~~
6 ~~otherwise provided by law, if application is so made and no action or proceeding is pending against~~
7 ~~the licensee for revocation of the license, the licensee may continue in business unless or until the~~
8 ~~application is denied.~~

9 ~~(b) All licenses shall expire on the date specified on the license. However, if the original~~
10 ~~issuance of the license did not require a public hearing, then there shall be a ninety-day grace period~~
11 ~~within which the license may be renewed; except that cabaret licenses issued pursuant to Chapter~~
12 ~~6 of this Code shall have a grace period of the same duration as any grace period for liquor licenses~~
13 ~~provided for by the Colorado Liquor Code. In the event that a licensee does continue to engage in~~
14 ~~the business for which the license was issued pursuant to the provisions of the preceding sentence,~~
15 ~~a penalty of twenty (20) percent of the amount of the license fee shall be imposed and collected if~~
16 ~~the application for renewal is filed within thirty (30) days after the date upon which the license~~
17 ~~expires, or a penalty of fifty (50) percent of the amount of the license fee shall be imposed and~~
18 ~~collected if the application for renewal is filed more than thirty (30) days after the date upon which~~
19 ~~the license expired. The director of excise and licenses is hereby authorized and empowered to~~
20 ~~waive or adjust any and all of such penalty and additional fee whenever in the director's judgment~~
21 ~~the delinquency in the prompt receipt of such application and fee is not the fault of the licensee and~~
22 ~~to collect or require the payment thereof would be an injustice.~~

23 ~~(c) Whenever any person starts or commences to engage in a business, and application for~~
24 ~~any license which may be required therefor is not made before such starting or commencing, and~~
25 ~~application for a license is subsequently made, the license fee shall be deemed due from the date~~
26 ~~the person actually started or commenced such business. In addition to the license fee there shall~~
27 ~~be imposed and collected a penalty of ten (10) percent and an additional five (5) percent shall be~~
28 ~~added on the last day of each calendar month subsequent to the day upon which the person started~~
29 ~~or commenced to engage in the business.~~

30 ~~(d) No license shall be issued for any current year until the amount of the original license fee~~
31 ~~and all accrued penalties have been paid.~~

32 ~~(e) Except as expressly provided, nothing in this section contained shall make it lawful for~~
33 ~~any person to engage in a business for which a license is required without first having obtained such~~

1 license.

2 **Sec. 32-10. – Approval by other officials.**

3 ~~(a) In those cases in which the provisions pertaining to any license require approval or~~
4 ~~inspection by any officer, agency or employee of the city other than the director of excise and~~
5 ~~licenses, the application for license shall be submitted by the director to the other officer, agency or~~
6 ~~employee.~~

7 ~~(b) Such officer, agency or employee shall forthwith perform such function as may be required~~
8 ~~by provisions pertaining to any license and return to the director the application with endorsement~~
9 ~~of approval, or with endorsement of disapproval, in which latter case there shall accompany the~~
10 ~~disapproval a written explanation of reasons therefor.~~

11 Upon receipt of any application, the director may give notice of the application to any other
12 city agency or department. The applicant shall obtain any and all necessary permits, licenses, and
13 other regulatory approvals from the city departments and agencies prior to the issuance,
14 modification, or renewal of the license.

15 **Sec. 32-11. - Issuance or denial.**

16 (a) No license authorized under this Code shall be issued or renewed if unless:

17 ~~(1) All conditions imposed upon the applicant as prerequisites to the issuance of the~~
18 ~~license by the terms of the provisions pertaining to the particular license sought have been met~~The
19 issuance of a license to the applicant or licensee would not comply with any applicable state or local
20 law, or any rules and regulations adopted pursuant thereto;

21 ~~(2) The applicant or licensee has not paid or is in arrears in any administrative or court~~
22 ~~finances, assessments, or fees owed the City and County of Denver, including any required application~~
23 ~~fees, licensing fees, or bond;~~

24 ~~(2) The required license fees have been paid;~~

25 ~~(3) The required bond, if any, has been posted;~~

26 ~~(34) The use to which the proposed licensed premises are proposed to be put shall~~
27 ~~does not conform to the requirements of the Denver Zoning Code, Former Chapter 59, the Denver~~
28 ~~Building and Fire Code, the electrical code of the City and County of Denver, the rules and~~
29 ~~regulations promulgated by the department of public health and environment, or any other state or~~
30 ~~local law; or pertaining to zoning;~~

31 ~~(5) All other specific requirements of the terms of the provisions relating to the~~
32 ~~application for the particular license sought have been met;~~

33 ~~(46) The applicant or licensee is not in arrears in any administrative or court fines,~~

1 assessments, or fees, owed to the City and County of Denver, and has no outstanding warrants for
2 his/her arrest in any jurisdiction; and

3 ~~(57) No~~ The application contains fraudulent, misrepresented, or false statement(s) of
4 material or relevant fact(s). ~~is contained within the application; and~~

5 ~~(8) The application is completed within one (1) year of the date that the application is~~
6 ~~filed as provided in subsection 32-2(c).~~

7 (b) If it shall come to the attention of the director of excise and licenses that one (1) or more
8 of the above grounds exists, the application shall be denied. Otherwise the license shall be granted.
9 In the event that the application is denied, the director shall furnish the applicant a copy of the
10 order and the reasons supporting the denial upon the written request of the applicant in the event
11 that the application is denied. Any applicant whose application has been denied without a hearing
12 shall be entitled to a hearing on his application upon written request to the director, except as
13 provided in section 32-2. Except as otherwise provided by the specific terms or provisions pertaining
14 to a license, a written request for a hearing must be submitted within ten (10) days of the mailing
15 date of the order of denial.

16 **Sec. 32-20. – Renewal.**

17 ~~(a) In the event of application for a renewal of any license the provisions concerning which~~
18 ~~require approval or inspection by any such other officer, agency or employee, such license shall be~~
19 ~~renewed by the director of excise and licenses in accordance with the provisions pertaining thereto;~~
20 ~~provided, however, that such other officer, agency or employee may not later than thirty (30) days~~
21 ~~prior to the expiration of the license transmit to the director a statement of disapproval in which case~~
22 ~~there shall accompany the statement of disapproval a written explanation of reasons therefor. Any~~
23 ~~licensee may make application to renew a license prior to the expiration date of the license upon~~
24 ~~payment of a licensing fee no more than ninety (90) days prior to the expiration date of the license.~~
25 ~~A licensee whose license has been expired for not more than ninety (90) days may file a late renewal~~
26 ~~application upon the payment of twenty (20) percent of the amount of the license fee if the~~
27 ~~application for renewal is filed within thirty (30) days after the date upon which the license expires,~~
28 ~~or a penalty of fifty (50) percent of the amount of the license fee if the application for renewal is filed~~
29 ~~more than thirty (30) days after the date upon which the license expired. The director may waive or~~
30 ~~adjust any and all of such penalty and additional fee whenever, in the director's judgment, the~~
31 ~~delinquency in the prompt receipt of such application and fee is not the fault of the licensee and to~~
32 ~~collect or require the payment thereof would be an injustice.~~

33 ~~(b) No application fee shall be required on application for renewal of an existing license. A~~

1 license that has been expired for more than 90 days shall not be renewed.

2 (c) A licensee shall cease operations upon the expiration date of the license. Upon filing a
3 complete application and paying the requisite fee, the licensee may continue operating subject to
4 the provisions of the particular license until final agency action on the renewal. However, the director
5 may require that operations cease if the license is subject to disciplinary action, pending final agency
6 action on the renewal application, or the licensee has not received any required approvals,
7 inspections, or permits from another agency.

8 (de) The director may, upon his own motion or upon complaint, hold a hearing concerning
9 any application for license renewal.

10 (ed) In addition to any other grounds specified in this Revised Municipal Code which
11 ~~authorize the director of excise and licenses to fail to renew a license,~~ the director may deny a
12 renewal application if refuse to renew a license for any one (1) or more of the following reasons:

13 (1) ~~The application or fees for renewal for a license, including any penalty for filing~~
14 ~~within the grace period established by subsection 32-3(b) of this article, were not received by the~~
15 ~~director prior to the expiration of any grace period established by subsection 32-3(b) of this article.~~
16 There are causes for denial as provided in 32-11, or grounds for suspension, revocation or other
17 licensing sanctions as provided in section 32-22, or rules and regulations adopted pursuant thereto.

18 (2) Any fact or condition exists which, if it had existed or had been known to exist at
19 the time of the application for such license, would have warranted the director in refusing originally
20 to issue such license.

21 (3) The application fails to comply with any provisions required for the particular
22 license sought as specified in this Code or rules and regulations adopted pursuant thereto.

23 **Sec. 32-22. – Revocation.**

24 (a) In addition to any other penalties prescribed by the Revised Municipal Code, the director
25 may, on his or her own motion or on complaint, and after investigation and a show-cause hearing
26 at which the licensee shall be afforded an opportunity to be heard, ~~suspend, or revoke, fine, fine in~~
27 lieu of suspension, or place conditions on any license previously issued by him for any ~~violation of~~
28 any of the following circumstances provisions, requirements, or conditions:

29 (1) ~~The licensee has failed to pay the annual license fee; or that~~ Any fact or condition
30 exists which would qualify for the denial of the license;

31 (2) ~~The licensee has made any false statement in the application for a license as to~~
32 ~~any of the facts required to be stated in such application; or that~~ The licensee has failed either to
33 file the required reports or to furnish such information as may be reasonably required by the director

1 under the authority vested in the director by the terms of the provisions relating to the specific
2 license;

3 ~~(3) The licensee has failed either to file the required reports or to furnish such~~
4 ~~information as may be reasonably required by the director under the authority vested in the director~~
5 ~~by the terms of the provisions relating to the specific license; or that The licensee, either knowingly~~
6 ~~or without the exercise of due care to prevent the same, has violated any of the conditions required~~
7 ~~for the license as specified in this Code or rules and regulations adopted pursuant thereto;~~

8 ~~(4) The licensee, either knowingly or without the exercise of due care to prevent the~~
9 ~~same, has violated any terms of the provisions pertaining to the license or any regulation or order~~
10 ~~lawfully made under and within the authority of the terms of the provisions relating to the license; or~~
11 ~~that The licensee has failed to maintain the licensed premises in compliance with the requirements~~
12 ~~of the Denver Building and Fire Code, the electrical code of the City and County of Denver, the~~
13 ~~Denver Zoning Code, Former Chapter 59, rules and regulations issued by the department of public~~
14 ~~health and environment, or any other state or local law; or~~

15 ~~(5) Any fact or condition exists which, if it had existed or had been known to exist at~~
16 ~~the time of the application for such license, would have warranted the director in refusing originally~~
17 ~~to issue such license; or that~~

18 ~~(6) The licensee, or any of the agents, servants, or employees of the licensee, have~~
19 ~~violated any rule or regulation promulgated by the director under this Code relating to the specific~~
20 ~~license issued; or that~~

21 ~~(7) The licensee has failed to maintain the premises in compliance with the~~
22 ~~requirements of the Denver Building and Fire Code; the electrical code of the City and County of~~
23 ~~Denver; the zoning code; or department of public health and environment; or that~~

24 ~~(58) The licensee, or any of the agents, servants or employees of the licensee, have~~
25 ~~violated any ordinance of the city or any state or federal law on the premises or have permitted such~~
26 ~~a violation on the premises by any other person; provided, however, this paragraph shall not apply~~
27 ~~to permitted behavior on the premises concerning the possession, consumption, display, or use of~~
28 ~~cannabis or cannabis accessories as may otherwise be permitted by the Revised Municipal Code~~
29 ~~or state law; or that~~

30 (b) No suspension under this section shall be for a longer period than six (6) months. Notice
31 of suspension or revocation, as well as any required notice of a show-cause hearing, shall be given
32 by mailing the same in writing to the licensee at the licensee's last address of record with the
33 director.

1 **Sec. 32-23. – ~~Emergency~~Summary suspension.**

2 ~~If the director of excise and licenses finds that probable cause exists for revocation or~~
3 ~~suspension of any license for the privilege of conducting a business trade or profession regulated~~
4 ~~and controlled under the police authority of the city, the director may enter an order for the immediate~~
5 ~~suspension of such license, pending further investigation, for a period not exceeding fifteen (15)~~
6 ~~days. This section shall be in addition to the other penalties specified in this chapter and to the other~~
7 ~~penalties specified in the chapter, article or regulation pertaining to the particular license sought.~~
8 Where the department has objective and reasonable grounds to believe and finds, upon a
9 reasonable ascertainment of the underlying facts, that the licensee has been guilty of deliberate and
10 willful violation or that the public health, safety, or welfare imperatively requires emergency action
11 and incorporates the findings in its order, it may summarily suspend the license pending
12 proceedings for suspension or revocation which shall be promptly instituted and determined as
13 provided in section 32-22.

14
15 **Section 5.** Amend Article 2 of Chapter 32 by adding the language underlined and deleting
16 the language stricken, to read as follows:

17 ~~**Sec. 32-92. – Marijuana Licensing.**~~

18 ~~Application and license fees for retail marijuana stores, retail marijuana cultivation facilities,~~
19 ~~retail marijuana products manufacturers, and retail marijuana testing facilities, retail marijuana~~
20 ~~transporters, and retail marijuana off-premises storage facilities are as follows:~~

- 21 ~~(1) Application fee for retail off-premises storage facilities: \$500.00.~~
22 ~~(2) Annual operating fee, per year: \$5,000.00 for all classes of licenses.~~
23 ~~(3) Criminal background check fee, per person checked: Actual costs.~~
24 ~~(4) Transfer of ownership: \$100.00, plus cost of background check.~~
25 ~~(5) Transfer of location: \$750.00~~
26 ~~(6) Modification of premises: \$150.00~~

27 **Sec. 32-92. – Cannabis Licensing.**

28 (a) Application and license fees for medical marijuana businesses and medical marijuana off-
29 premises storage facilities shall be as follows:

- 30 (1) Application fee for medical marijuana businesses:
31 a. Social equity ~~licensees~~ applicants\$0.
32 b. Non-social equity ~~licensees~~ applicants2,000.00.
33 (2) Application fee for medical marijuana off-premises storage facility:

- 1 a. Social equity ~~licensees~~ applicants \$0.
- 2 b. Non-social equity ~~licensees~~ applicants 500.00.
- 3 (3) Annual license fee for medical marijuana businesses:
- 4 a. Social equity ~~licensees~~ applicants\$1,500.00.
- 5 b. Non-social equity ~~licensees~~ applicants3,000.00.
- 6 (4) Annual license fee for medical marijuana off-premises storage facility:
- 7 a. Social equity ~~licensees~~ applicants\$250.00.
- 8 b. Non-social equity ~~licensees~~ applicants500.00.
- 9 (5) Criminal background check feeactual costs.
- 10 (6) Transfer of ownership fee\$250.00, plus actual cost of background check.
- 11 (7) Change of location fees:
- 12 a. Medical marijuana stores\$1,500.00.
- 13 b. All other medical marijuana business licenses1,000.00.
- 14 (8) Modification of premises\$300.00.
- 15 (b) Application and license fees for retail marijuana businesses and retail marijuana off-
- 16 premises storage facilities shall be as follows:
- 17 (1) Application fee for retail marijuana off-premises storage facility:
- 18 a. Social equity ~~licensees~~ applicants \$0.
- 19 b. Non-social equity ~~licensees~~ applicants 500.00.
- 20 (2) Annual license fee for retail marijuana businesses:
- 21 a. Social equity ~~licensees~~ applicants.....\$2,500.00. The annual license fee shall
- 22 be waived upon application for a new license.
- 23 b. Non-social equity ~~licensees~~ applicants5,000.00.
- 24 (3) Annual license fee for retail marijuana off-premises storage facility:
- 25 a. Social equity ~~licensees~~ applicants\$250.00.
- 26 b. Non-social equity ~~licensees~~ applicants500.00.
- 27 (4) Criminal background check feeactual costs.
- 28 (5) Transfer of ownership fee\$250.00, plus actual cost of background check.
- 29 (6) Change of location fees:
- 30 a. Retail marijuana stores\$1,500.00.
- 31 b. All other retail marijuana business licenses1,000.00.
- 32 (7) Modification of premises\$300.00.
- 33 (c) Application and license fees for marijuana delivery permits shall be as follows:

- 1 (1) Application fee for marijuana delivery permits:
- 2 a. Social equity ~~licensees~~ applicants \$0.
- 3 b. Non-social equity ~~licensees~~ applicants 500.00.
- 4 (2) License fee for marijuana delivery permits2,000.00.
- 5 (3) Change of location fee1,000.00.
- 6 (4) Transfer of ownership fee 250.00.

7 **Sec. 32-93. – Medical marijuana licensing. Reserved.**

8 ~~Application and license fees for medical marijuana centers, medical marijuana-infused~~
9 ~~products manufacturers, medical marijuana optional premises cultivation facilities, medical~~
10 ~~marijuana testing facilities, medical marijuana transporters, medical marijuana off-premises storage~~
11 ~~facilities, and medical marijuana research and development facilities are as follows:~~

- 12 ~~(1) Application fees: for all classes of licenses\$2,000.00~~
- 13 ~~(2) Criminal background check fee, per person checkedActual costs~~
- 14 ~~(3) License fee, per year, for all classes of licenses\$3,000.00~~
- 15 ~~(4) Transfer of ownership, plus cost of background check\$100.00~~
- 16 ~~(5) Transfer of location\$750.00~~
- 17 ~~(6) Modification of premises\$150.00~~

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COMMITTEE APPROVAL DATE:

MAYOR-COUNCIL DATE:

PASSED BY THE COUNCIL: _____, 2021

_____ - PRESIDENT

APPROVED: _____ - MAYOR _____, 2021

ATTEST: _____ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2021; _____, 2021

PREPARED BY: [NAME], Assistant City Attorney

DATE: _____, 2021

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

Kristin Bronson, Denver City Attorney

BY: _____, Assistant City Attorney DATE: _____, 2021