

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2016

COUNCIL BILL NO. _____
COMMITTEE OF REFERENCE:
Business Development

A BILL

For an ordinance concerning the licensing and regulation of businesses, including marijuana businesses, and in connection therewith amending Article V of Chapter 6, Article XII of Chapter 24, and Article I of Chapter 32 of the Denver Revised Municipal Code; and for an ordinance repealing Article XI of Chapter 24 of the Denver Revised Municipal Code concerning the licensing and regulation of medical marijuana dispensaries.

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

Section 1. Section 6-201 of the Denver Revised Municipal Code shall be amended by adding the language underlined to read as follows:

Sec. 6-201. Defined terms.

The definitions set forth in subsection 16(2) of article XVIII of the Colorado Constitution as well as the Colorado Retail Marijuana Code, § 12-43.4-103, C.R.S., as amended, and rules adopted pursuant thereto, shall apply equally to this article V. In addition, the following terms shall have the meanings respectively assigned to them:

Section 2. Section 6-204 of the Denver Revised Municipal Code shall be amended by adding the language underlined and deleting the language stricken to read as follows:

Sec. 6-204. Local Licensing Authority.

(c) Under no circumstances shall the director receive or act upon any application for local licensing of a retail marijuana establishment in circumstances where the state has failed to act in accordance with section 16 of Article XVIII of the Colorado Constitution, it being the intent of this article that no retail marijuana establishment may lawfully exist in Denver absent the issuance of a state license and full regulatory oversight of the retail marijuana establishment by the state as well as the city. Accordingly, the director shall not receive or act upon any application for licensing submitted independently and in lieu of state licensing nor shall the director receive or act upon any application for licensing if the state fails to act within 90 days on any specific application for licensing of a retail marijuana establishment in accordance with paragraph 16(5)(g)(III) of Article XVIII of the Colorado Constitution. ~~or:~~

- 1 ~~(1) If state has failed to begin receiving and processing applications for state licensing by~~
2 ~~October 1, 2013, in accordance with paragraph 16(5)(g) of Article XVIII of the Colorado~~
3 ~~Constitution;~~
- 4 ~~(2) If the state fails to act within 90 days on any specific application for licensing of a retail~~
5 ~~marijuana establishment in accordance with paragraph 16(5)(g)(iii) of Article XVIII of the~~
6 ~~Colorado Constitution; or~~
- 7 ~~(3) If the state has not issued any retail marijuana licenses by January 1, 2014, in accordance~~
8 ~~with paragraph 16(5)(h) of Article XVIII of the Colorado Constitution.~~

9 **Section 3.** Section 6-205 of the Denver Revised Municipal Code shall be amended by
10 adding the language underlined to read as follows:

11 **Sec. 6-205. Relationship to Colorado Retail Marijuana Code; other laws.**

12 Except as otherwise specifically provided herein, this article V incorporates the requirements and
13 procedures set forth in the Colorado Retail Marijuana Code. In the event of any conflict between
14 the provisions of this article V or Chapter 32 and the provisions of the Colorado Retail Marijuana
15 Code or any other applicable state or local law or regulation, the more restrictive provision shall
16 control.

17 **Section 4.** Section 6-206 of the Denver Revised Municipal Code shall be amended by
18 adding the language underlined to read as follows:

19 **Sec. 6-206. Unlawful acts.**

- 20 (a) It shall be unlawful for any person to operate any retail marijuana establishment in the city
21 without a license duly issued therefor by the state licensing authority under the Colorado
22 Retail Marijuana Code and in compliance with any and all applicable state laws and
23 regulations.
- 24 (b) It shall be unlawful for any person to operate any retail marijuana establishment in the city
25 without a license duly issued therefor by the director under this article V and in compliance
26 with any and all applicable city laws and regulations.

27 **Section 5.** Section 6-209 of the Denver Revised Municipal Code shall be amended by
28 adding the language underlined to read as follows:

29 **Sec. 6-209. Screening and response to state license applications.**

- 30 (2) Determine, in consultation with the manager of the department of community planning and
31 development, whether or not the location proposed for licensing complies with any and all
32 zoning and land use laws of the city, and any and all restrictions on location of retail
33 marijuana establishments set forth in this article V. If the director makes an initial

1 determination that the proposed license would be in violation of any zoning law or other
2 restriction on location set forth in city laws, the director shall, no later than forty-five (45)
3 days from the date the application was originally received by the state licensing authority,
4 notify the state licensing authority and the applicant for state licensing in writing that the
5 application is disapproved by the city. The failure of the director to make such a
6 determination upon the initial review of a state license application shall not preclude the
7 director from later determining that the proposed license is in violation of city zoning laws
8 or any other restriction on location set forth in city laws, and disapprove the issuance of a
9 state or city license on this basis.

10 **Section 6.** Section 6-210 of the Denver Revised Municipal Code shall be amended by
11 adding the language underlined to read as follows:

12 **Sec. 6-210. Licensing requirements – Provisions applicable to all licenses.**

13 (a) *Criteria for licensing.* The director shall consider and act upon all local license applications in
14 accordance with the standards and procedures set forth in this article V. The director shall
15 deny any application for a license that does not have a corresponding state license or that is
16 not in full compliance with the Colorado Retail Marijuana Code, this article V, and any other
17 applicable state or city law or regulation. The director shall also deny any application that
18 contains any false or incomplete information.

19 (b) *Application forms and supplemental materials.* All applications for local licensing shall be
20 made upon forms provided by the director and shall include such supplemental materials as
21 required by this article V, the Colorado Retail Marijuana Code, and rules adopted pursuant
22 thereto, including by way of example: proof of possession of the licensed premises,
23 disclosures related to ownership of the proposed business, fingerprints of the applicants,
24 building plans, floor plans designating the proposed licensed premises outlined in red, and
25 security plans. To the extent any of the foregoing supplemental materials have been included
26 with the applicant's state license application and forwarded to the city by the state licensing
27 authority, the director may rely upon the information forwarded from the state without requiring
28 resubmittal of the same materials in conjunction with the local license application. The director
29 may, at the director's discretion, require additional documentation associated with the
30 application as may be necessary to enforce the requirements of the Colorado Retail
31 Marijuana Code and this article V.

32 (e) *Expiration of applications.* Any application for local licensing submitted pursuant to this article
33 V must be completed within one (1) year of the date the application is filed and the application

1 fee paid. Except as provided in this subsection (e), applications that remain pending after the
2 expiration of the one (1) year time period shall be administratively closed and the director
3 shall deny the issuance of a local license. Once an application expires, the applicant must
4 begin the local licensing process anew. At the director's discretion, the director may extend
5 the application period or approve the issuance of a license for applications that remain
6 pending beyond the one (1) year time period if the applicant can produce, within thirty (30)
7 days after the expiration of the one (1) year time period, documentary or other empirical
8 evidence to establish good cause for the failure to complete the application process. For
9 purposes of this subsection (e), the term "good cause" means the failure to complete the
10 application process occurred due to extraordinary circumstances outside of the applicant's
11 control.

12 (f) Corresponding state license. The director shall not issue a local license unless the applicant
13 produces a corresponding license duly issued by the state licensing authority under the
14 Colorado Retail Marijuana Code.

15 (g) Pending license applications. Applications for local licensing may not be transferred, and the
16 director shall deny any application for transfer of ownership or change of location of any
17 pending license application. At the director's discretion, the director may approve an
18 application for transfer of ownership or change of location of a pending application upon a
19 showing of good cause as defined in this section.

20 **Section 7.** Section 6-211 of the Denver Revised Municipal Code shall be amended by
21 adding the language underlined and deleting the language stricken to read as follows:

22 **Sec. 6-211. Licensing requirements – Retail marijuana stores.**

23 (a) *Area maps.* All applications for retail marijuana store licensing submitted pursuant to this
24 article V shall include an area map drawn to scale indicating land uses of other properties
25 within a 1,000-foot radius of the property upon which the applicant is seeking a license. The
26 map shall depict, to the best of applicant's knowledge, ~~the proximity to~~ of the property to any
27 school or child care establishment; to any other retail marijuana store; to any medical
28 marijuana center, to any pending application for either a retail marijuana store or a medical
29 marijuana center, or to any alcohol or drug treatment facility.

30 (b) *Prohibited locations.* No retail marijuana store license shall be issued for the following
31 locations:

32 (3) Within one thousand (1,000) feet of any other retail marijuana store or medical
33 marijuana center licensed under article XII of chapter 24, with the distance computed

1 by direct measurement in a straight line from the nearest portion of the building in
2 which one (1) store or center is located to the nearest portion of the building in which
3 the other store or center is located. This restriction shall not apply to any location
4 proposed for licensing as a retail marijuana store where the director previously issued
5 a medical marijuana center license under article XII of chapter 24 and a licensed
6 medical marijuana center has existed in continuous operations at the subject location
7 since the time of original licensing, nor shall this restriction be construed to prohibit
8 the licensing of a retail marijuana store under common ownership with and at the
9 same location as a licensed medical marijuana center. In the event that the
10 department receives two or more applications for a retail marijuana store license or a
11 medical marijuana center license with proposed locations within 1000' of each other,
12 the director shall act upon only the first complete application received and shall reject
13 all subsequent applications.

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

23 (5) For purposes of this subsection (b), the term "continuous operations" means that the
24 regular sale of medical marijuana has occurred at the subject location without interruption
25 by a medical marijuana center licensed under article XII of chapter 24 in compliance with
26 all state and city laws, and regulations adopted pursuant thereto. Prima facie evidence
27 that a medical marijuana center has not existed in continuous operations shall include:

28 a. Any suspension or cessation of the sale of marijuana at the subject location
29 lasting longer than ninety (90) consecutive days; or

30 b. Any period during which the subject location is owned, leased or otherwise
31 occupied for a use other than the sale of marijuana; or

32 c. Expiration, nonrenewal, surrender, transfer of location, or revocation of the state
33 or local medical marijuana license issued for the subject location.

1 (d) *Signs and advertising.*

2 (2) Except as otherwise provided in this subsection (2), it shall be unlawful for any person
3 licensed under this article or any other person to advertise any retail marijuana or retail
4 marijuana product anywhere in the city where the advertisement is visible to members of
5 the public from any street, sidewalk, park or other public place, including advertising
6 utilizing any of the following media: Any billboard or other outdoor general advertising
7 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 directly handed to any person in a
9 public place, left upon a motor vehicle, or posted upon any public or private property
10 without the consent of the property owner. The prohibition set forth in this paragraph (2)
11 shall not apply to:

- 12 a. Any fixed sign located on the same zone lot as a retail marijuana store which
13 exists solely for the purpose of identifying the location of the retail marijuana
14 store and which otherwise complies with the Denver Zoning Code and any other
15 applicable city laws and regulations; or
- 16 b. Any advertisement contained within a newspaper, magazine, or other periodical
17 of general circulation within the city; or
- 18 c. Advertising which is purely incidental to sponsorship of a charitable event by a
19 retail marijuana store or a retail marijuana products manufacturer.

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

24 **Section 8.** Section 6-212 of the Denver Revised Municipal Code shall be amended by
25 adding the language underlined and deleting the language stricken to read as follows:

26 **Sec. 6-212. Licensing requirements—Retail marijuana stores—Public hearing**
27 **requirement.**

28 (a) Public notice; posting and publication.

29 (1) Upon receipt of an application for a local retail marijuana store license, the director shall
30 schedule a public hearing upon the application not less than 360 days from the date of
31 the application and shall post and publish the public notice thereof not less than ten (10)
32 days prior to such hearing. Public notice shall be given by the posting of a sign in a

1 conspicuous place on the premises for which application has been made and by
2 publication in a newspaper of general circulation.

3 (c) *Results of investigation; decision of director.*

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

9
10 (2) The director has authority to refuse to issue any retail marijuana store license for good
11 cause, subject to judicial review. For purposes of this subsection (c), the term "good
12 cause" means:

- 13 a. The applicant has violated, does not meet, or has failed to comply with any of the
14 terms, conditions, or provisions of the Colorado Retail Marijuana Code or any
15 rule and regulations promulgated pursuant thereto, or this article V or any rules
16 and regulations promulgated pursuant to this article;
- 17 b. With respect to a second or additional retail marijuana store license proposed by
18 the same applicant, the director shall consider the effect on competition of the
19 granting or disapproving of additional licenses to such licensee, and no
20 application for a second or additional license that would have the effect of
21 restraining competition shall be approved.
- 22 c. For applications to license any retail marijuana store in the same location where
23 any medical marijuana center is or has previously been licensed, evidence that
24 the licensed premises have been previously operated in a manner that adversely
25 affects the public health, welfare, or safety of the immediate neighborhood in
26 which the establishment is located.
- 27 d. Evidence that the issuance of the license will adversely impact the health, welfare
28 or public safety of the neighborhood in which the retail marijuana store is
29 proposed to be located

30 (23) Before entering any decision approving or denying the application, the director shall
31 consider, except where this article specifically provides otherwise, the facts and evidence
32 adduced as a result of its investigation and the public hearing required by this section,
33 and any other pertinent matters affecting the qualifications of the applicant for the conduct

1 of business as a retail marijuana store.

2 (34) For new retail marijuana store licenses issued on and after January 1, 2016, in addition
3 to the standards set forth in subsection (c) of this section, the applicant shall establish the
4 need for the license by a preponderance of the evidence and the director shall also
5 consider:

6 a. The reasonable requirements of the neighborhood and the desires of the adult
7 inhabitants as evidenced by petitions, remonstrances, or otherwise;

8 b. The number and availability of other retail marijuana stores in or near the
9 neighborhood under consideration; and

10 c. Whether the issuance of such license would result in or add to an undue
11 concentration of retail marijuana store licenses and, as a result, require the use of
12 additional law enforcement resources; and

13 (45) ~~A~~ Unless additional time is necessary to fully investigate an application, any decision of
14 the director approving or denying an application shall be in writing stating the reasons
15 therefor, within thirty (30) days after the date of the public hearing, and a copy of such
16 decision shall be sent by certified mail to the applicant at the address shown in the
17 application and to the state licensing authority. The failure of the director to issue a final
18 decision within thirty (30) days after the date of the public hearing shall not preclude the
19 director from later determining that the application should be approved or denied.

20
21 **Section 9.** Section 6-214 of the Denver Revised Municipal Code shall be amended by
22 adding the language underlined and deleting the language stricken to read as follows:

23 **Sec. 6-214. Licensing requirements – Retail marijuana cultivation facility.**

24 (a) *Compliance with current zoning.*

25 (2) Notwithstanding the requirement set forth in paragraph (1) of this subsection (a), a
26 retail marijuana cultivation license may be issued in a location where plant husbandry is not a
27 permitted use but is already occurring as a compliant or nonconforming use under the zoning
28 code, if and only if the applicant meets the following requirements:

29 (a) A zoning permit for plant husbandry was applied for upon the same zone lot on or
30 before July 1, 2010;

31 (b) ~~The applicant or any person from whom the applicant acquired a medical marijuana~~
32 ~~business previously applied for~~ can show that an optional premises cultivation license upon the
33 same zone lot was applied for with the state medical marijuana licensing authority on or before
34 August 1, 2010, in accordance with § 12-43.3-103(1)(b), 32 C.R.S.; and

1 (c) The applicant ~~or any person from whom the applicant acquired a medical marijuana~~
2 ~~business~~ can produce to the satisfaction of the director documentary or other empirical evidence
3 that ~~the applicant had in fact commenced~~ the cultivation of medical marijuana had commenced on
4 the zone lot prior to January 1, 2011.

5 (3) At the director's discretion, a public hearing may be scheduled for a protested license
6 renewal of aAny retail marijuana cultivation license granted pursuant to subsection (a)(2) of this
7 section upon a zone lot where plant husbandry is not a permitted use under the zoning code shall
8 ~~be subject to a public hearing prior to any renewal of the license~~ if requested by a party in interest
9 as defined in section 6-212. Such request for a public hearing must be submitted in the form of a
10 petition prepared by the Department and must contain at least ten (10) valid signatures of parties
11 in interest gathered within 90 days of the renewal date. The director shall assign a hearing officer
12 to conduct the public hearing. The hearing shall not be conducted until the director has posted or
13 caused to be posted a notice of hearing on the licensed premises for a period of ten (10) days,
14 and provided notice to each of the following at least ten (10) days prior to the hearing: the
15 licensee; the city council representative for the district in which the licensed premises is located;
16 and any registered neighborhood association entitled to receive notice as provided in section 12-
17 96. At the public hearing, the incumbent licensee and any other interested party shall be entitled to
18 speak and present evidence supporting or opposing renewal of the license in the location where
19 plant husbandry is not a permitted use. The hearing officer shall receive and give due
20 consideration to any evidence or testimony submitted by the city council member representing the
21 district in which the licensed premises are located, either in support or opposition to the renewal of
22 the license. The retail marijuana cultivation license shall be eligible for renewal, subject to
23 additional considerations as provided in subsection (c) and section 6-218 for all license renewals,
24 in its current compliant or nonconforming location unless it is shown by a preponderance of the
25 evidence presented at the hearing that:

- 26 a. The existence of the retail marijuana cultivation facility on the licensed premises
27 has frustrated the implementation of the city's comprehensive plan and any
28 adopted neighborhood plan applicable to the subject property;
- 29 b. The existence of the retail marijuana cultivation facility on the licensed premises
30 has negatively affected nearby properties or the neighborhood in general,
31 including by way of example any adverse effects caused by excessive noise,
32 odors, vehicular traffic, or any negative effects on nearby property values;

- 1 c. The existence of the retail marijuana cultivation facility has caused crime rates to
2 increase in the surrounding neighborhood; ~~or~~
3 d. The continued existence of a licensed retail marijuana cultivation facility in the
4 subject location will have a deleterious impact on public health, safety and the
5 general welfare of the neighborhood or the city; or
6 e. The applicant or any person from whom the applicant acquired a retail marijuana
7 business failed to meet one or more of the requirements specified in paragraph
8 (2) of this subsection (a).

9 (c) Permitted number of licenses. Only one (1) local retail marijuana cultivation facility license
10 shall be permitted at each licensed premises. Upon the first renewal of a state license at the
11 retail marijuana cultivation facility, all of the local licenses shall be collapsed into one surviving
12 license, and all additional local licenses shall be surrendered and shall be of no further force
13 and effect. Fees shall be prorated for the non-expiring licenses that are surrendered. The
14 director shall deny any application for transfer of ownership or change of location for the
15 additional local licenses.

16 **Section 10.** Section 6-216 of the Denver Revised Municipal Code shall be amended by
17 adding the language underlined and deleting the language stricken to read as follows:

18 **Sec. 6-216. Transfer of ownership.**

19 (a) *In general.* Transfer of ownership of any local license issued pursuant to this article V shall be
20 governed by the standards and procedures set forth in the Colorado Retail Marijuana Code
21 and any regulations adopted pursuant thereto, and the director shall administer transfers of
22 local licenses in the same manner as the state licensing authority administers transfers of
23 state licenses, subject to any additional restrictions on transfer as provided in this article V
24 and any rules and regulations promulgated by the director. The director shall not receive or
25 act upon any application for transfer of ownership while the state or local marijuana license is
26 subject to disciplinary action nor shall the director receive or act upon any application for
27 transfer of ownership if the corresponding state license has been surrendered or revoked.

28 ~~(d) Retail marijuana cultivation licenses. Any retail marijuana cultivation license issued pursuant~~
29 ~~to subsection 6-214(a)(2) in a location where plant husbandry is not a permitted use under the~~
30 ~~zoning code shall not be transferable to a new owner in that location unless the applicant for~~
31 ~~the transfer proves to the satisfaction of the director that:~~

32 ~~(1) The transfer of ownership is required due to extraordinary circumstances forcing the~~
33 ~~incumbent licensee to divest its interest in the existing retail marijuana cultivation operation~~

1 including, by way of example, death, divorce, bankruptcy, court order, or any force majeure
2 that may prevent the incumbent licensee from continuing to operate in the subject location;

3 ~~(2) The transfer of ownership is required due merely to corporate restructuring or any other
4 change in the legal structure of the incumbent owner and licensee; or~~

5 ~~(3) In circumstances where the retail marijuana cultivation license is located at the same location
6 and under common ownership with an optional premises medical marijuana cultivation
7 license, the transfer of ownership is required because a medical marijuana center or a medical
8 marijuana-infused products manufacturing license with which the optional premises cultivation
9 license is associated is being transferred to a new owner.~~

10 (e) Corresponding state license. Upon receipt of any application for transfer of ownership of a
11 local license, the director shall not issue a license to the proposed new owner unless the
12 applicant produces written documentation from the state approving the same transfer of
13 ownership of the corresponding state license recorded upon the face of the local license.

14 **Section 11.** Section 6-217 of the Denver Revised Municipal Code shall be amended by
15 adding the language underlined to read as follows:

16 **Sec. 6-217. Change of location; modification of premises.**

17 (a) Change of location of any license or any modification of the licensed premises shall be
18 governed by the standards and procedures set forth in the Colorado Retail Marijuana
19 Code, this article V, and any regulations adopted pursuant thereto, and the director shall
20 administer applications to change location or modify premises in the same manner as the
21 state licensing authority administers changes of location and modification of premises for
22 state licenses. Any proposed modification and any new location to which an existing
23 licensed business is transferred shall fully comply with the spacing requirements and the
24 requirements for conformance with current zoning as set forth this article V.

25 (b) Upon receipt of an application for change of location of a retail marijuana store, the
26 director shall schedule a public hearing in accordance with the requirements of section 6-
27 212 and shall issue written findings for the new location.

28 (c) Corresponding state license. Upon receipt of any application for change of location, the
29 director shall not issue a license in the proposed new location unless the applicant
30 produces written documentation from the state approving the same change of location of
31 the corresponding state license recorded upon the face of the local license.

32 **Section 12.** Section 6-218 of the Denver Revised Municipal Code shall be amended by
33 adding the language underlined and deleting the language stricken to read as follows:

1 **Sec. 6-218. Term of licenses; renewals.**

2 (a) Any local license issued pursuant to this article V shall be valid for a period of one (1) year
3 from the date of issuance. Any renewal of the license shall be governed by the standards and
4 procedures set forth in the Colorado Retail Marijuana Code and any regulations adopted
5 pursuant thereto, and the director shall administer license renewals in the same manner as
6 the state licensing authority administers renewals of state licenses, subject to ~~the any~~
7 additional restrictions on renewal as provided in this article V and any regulations adopted
8 pursuant thereto of retail marijuana cultivations facility licenses in certain locations as
9 provided in section 6-214(a)(3).

10 (b) If the licensee has received notice of violation of any law or regulation, including disciplinary
11 action against any past or current retail or medical marijuana licenses, the application for
12 renewal shall include a copy of the notice or disciplinary action.

13 (c) Upon receipt of an application for renewal of any local license, the director may set a
14 hearing in accordance with the requirements of section 6-219 if there is reasonable cause to
15 believe that:

16 (1) The licensee, or any of the agents, servants or employees of the licensee, have
17 violated any ordinance of the city or any state law on the premises or have permitted
18 such a violation on the premises by any other person; or

19 (2) There are grounds for suspension, revocation or other licensing sanctions as
20 provided in this article.

21 (d) Except where the director has received a complete renewal application along with the
22 requisite fees, it shall be unlawful for any person to manufacture, sell, distribute, transfer,
23 transport, or otherwise remove marijuana or marijuana products from the premises of a
24 licensed retail marijuana establishment after the expiration date recorded upon the face of any
25 local license issued pursuant to this article V for that location.

26 **Section 13.** Section 6-219 of the Denver Revised Municipal Code shall be amended by
27 adding the language underlined to read as follows:

28 **Sec. 6-219. Disciplinary sanctions; penalties.**

29 (c) Inactive licenses. The director may suspend or revoke any license if the licensed premises
30 have been inactive or unoccupied by the licensee for at least one (1) year.

31 (d) Summary suspension. When the director has reasonable grounds to believe that a licensee
32 has engaged in deliberate and willful violation of any applicable law or regulation, or that the

1 public health, safety, or welfare requires emergency action, the director may enter a summary
2 suspension order for the immediate suspension of such license, pending further investigation.

3 (1) The summary suspension order shall be in writing and shall state the reasons therefor.
4 The director shall schedule a hearing within 30 days of the date of the order.

5 (2) Proceedings for summary suspension hearings shall be as provided in chapter 32, and
6 any rules and regulations promulgated by the director. This section shall be in addition to
7 any other penalties specified in this article V or chapter 32.

8 (e) 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 **Section 14.** Section 6-220 of the Denver Revised Municipal Code shall be amended by
11 adding the language underlined to read as follows:

12 **Sec. 6-220. Rules and Regulations.**

13 (a) The director may make such reasonable rules and regulations as may be necessary for the
14 purpose of administering and enforcing the provisions of this article and any other ordinances
15 or laws relating to and affecting the licensing and operation of retail marijuana establishments.

16 (b) It shall be unlawful for any person to violate a rule or regulation adopted by the director
17 pursuant to this section.

18 **Section 15.** Section 24-502 of the Denver Revised Municipal Code shall be amended by
19 adding the language underlined to read as follows:

20 **Sec. 24-502. Defined terms.**

21 The definitions set forth in the Colorado Medical Marijuana CodeMMG, § 12-43.3-104,
22 C.R.S., as amended, and rules adopted pursuant thereto, shall apply equally to this article XII. In
23 addition, the following terms shall have the meanings respectively assigned to them:

24 (5) School means a public or private preschool or a public or private elementary, middle, junior
25 high, or high school.

26 **Section 16.** Section 24-503 of the Denver Revised Municipal Code shall be amended by
27 adding the language underlined and deleting the language stricken to read as follows:

28 **Sec. 24-503. Effective date; applicability.**

29 (a) Effective date. On and after July 1, 2011, it shall be unlawful to operate any business in
30 Denver for which a license is required under the Colorado Medical Marijuana CodeMMG
31 without first having obtained a local license under this article XII and a state license under the
32 state code; ~~provided, however that certain pre-existing medical marijuana businesses that~~
33 ~~have submitted applications for licensing under the CMMC may continue in operation on and~~

1 after July 1, 2011 until final action on the business's state and local license applications under
2 the CMMC, subject to the following requirements:

3 ~~(1) An applicant for medical marijuana center licensing may continue in operation on and
4 after July 1, 2011, if the applicant or a previous owner of the same business:~~

- 5 ~~a. Applied for a medical marijuana dispensary license from Denver prior to July 1,
6 2010 in the same location or in any other location in Denver in accordance with
7 Article XI of this Chapter 24, and was not denied the license by the director; and~~
- 8 ~~b. Applied for a license for the same business as a medical marijuana center with
9 the state licensing authority by August 1, 2010, under the requirements of section
10 12-43.3-103 of the Colorado Medical Marijuana Code; and~~
- 11 ~~c. Has not had the application for a medical marijuana center denied by either the
12 state or local licensing authority.~~

13 ~~(2) [Other licenses.] An applicant for a medical marijuana infused products manufacturing
14 license or an optional premises cultivation operations license may continue in operation
15 on and after July 1, 2011, if the applicant or a previous owner of the same business:~~

- 16 ~~a. Met the requirements for a locally approved medical marijuana business as of
17 July 1, 2010, as set forth in section 24-411 in the same location or in any other
18 location in Denver; and~~
- 19 ~~b. Applied for a license for the same business as a medical marijuana infused
20 products manufacturing or optional premises cultivation with the state licensing
21 authority by August 1, 2010 under the requirements of section 12-43.3-103 of the
22 Colorado Medical Marijuana Code; and~~
- 23 ~~c. Has not had the application for medical marijuana infused products
24 manufacturing or optional premises cultivation denied by either the state or local
25 licensing authority.~~

26 ~~(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection (a), if the
27 owner of any pre-existing medical marijuana business has not obtained both a state and
28 city license to lawfully continue in operation by July 1, 2014, the business shall cease
29 operation immediately as of that date. On and after July 1, 2014 it shall be unlawful for
30 any person to operate any business involving the cultivation, manufacture or sale of
31 medical marijuana or medical marijuana-infused products without holding a current state
32 and city license. If the owner of any pre-existing medical marijuana business has not
33 applied for a city license to lawfully continue in operation prior to October 1, 2013, the~~

1 ~~business shall cease operation immediately as of that date. On and after October 1, 2013,~~
2 ~~it shall be unlawful for any person to continue to operate any business involving the~~
3 ~~cultivation, manufacture or sale of medical marijuana or medical marijuana-infused~~
4 ~~products without having applied for local license under this Article XII and the CMMC.~~

5 ~~(b) Previous dispensary licenses. Any medical marijuana dispensary license previously issued by~~
6 ~~the director under the authority of article XI of this chapter shall expire and shall be of no~~
7 ~~further force and effect as of July 1, 2012, or the date of final action on state and local license~~
8 ~~applications under the CMMC, whichever occurs first.~~

9 ~~(c) Receipt of applications for new licensing. At such time as application forms are made available~~
10 ~~by the state licensing authority, the director shall begin to receive and process applications for~~
11 ~~licensing under the CMMC and this article XII.~~

12 ~~(d) Prohibition on new medical marijuana businesses prior to July 1, 2012. It shall be unlawful for~~
13 ~~any person to commence operation of any business of selling, offering for sale, distributing,~~
14 ~~cultivating or manufacturing medical marijuana prior to July 1, 2012, unless the person had~~
15 ~~applied for a license or permit from the city on or before July 1, 2010, in accordance with~~
16 ~~section 24-411, had applied for state licensing on or before August 1, 2010, in accordance~~
17 ~~with § 12-43.3-103(1)(b), C.R.S., and was otherwise fully in compliance with the requirements~~
18 ~~of article XI of this chapter and the CMMC.~~

19 **Section 17.** Section 24-504 of the Denver Revised Municipal Code shall be amended by
20 adding the language underlined and deleting the language stricken to read as follows:

21 **Sec. 24-504. Relationship to Colorado Medical Marijuana Code; other laws.**

22 Except as otherwise specifically provided herein, this article XII incorporates the
23 requirements and procedures set forth in the Colorado Medical Marijuana Code~~CMMC~~. In the event
24 of any conflict between the provisions of this article XII or Chapter 32 and the provisions of the
25 Colorado Medical Marijuana Code~~CMMC~~ or any other applicable state or local law, or regulation,
26 the more restrictive provision shall control.

27 **Section 18.** Section 24-506 of the Denver Revised Municipal Code shall be amended by
28 adding the language underlined and deleting the language stricken to read as follows:

29 **Sec. 24-506. Classes of licensing authorized.**

30 For the purpose of regulating the cultivation, manufacture, distribution, offering for sale, and
31 sale of medical marijuana, the director in the director's discretion, upon application in the
32 prescribed form made to the director, may issue and grant to the applicant a local license from any

1 of the following classes, subject to the provisions and restrictions provided in this article XII and
2 the Colorado Medical Marijuana CodeMMG:

- 3 (a) Medical marijuana center license;
- 4 (b) Optional premises cultivation license;
- 5 (c) Medical marijuana-infused products manufacturing license;
- 6 (d) Medical marijuana testing facility license

7 **Section 19.** Section 24-507 of the Denver Revised Municipal Code shall be amended by
8 adding the language underlined and deleting the language stricken to read as follows:

9 **Sec. 24-507. Licensing requirements – Provisions applicable to all licenses.**

10 (a) ~~Criteria for licensing; waiver of public hearings.~~ The director shall consider and act upon all
11 local license applications in accordance with the standards and procedures set forth in the
12 Colorado Medical Marijuana CodeMMG and this article XII, and rules adopted pursuant thereto;
13 ~~provided, however, no public hearing shall be required for any class of licensing pursuant to § 12-~~
14 ~~43.3-302, C.R.S., as amended, and the director's decision to grant or deny a license shall be~~
15 ~~made solely upon the results of the director's investigation and findings pursuant to section 12-~~
16 ~~43.3-305, C.R.S., as amended.~~ The director shall deny any application for a license that does not
17 have a corresponding state license or that is not in full compliance with the Colorado Medical
18 Marijuana CodeMMG, this article XII, and any other applicable state or city law or regulation. The
19 director shall also deny any application that contains any false or incomplete information.

20 (b) ~~Application forms and supplemental materials.~~ All applications for local licensing shall be
21 made upon forms provided by the state, and shall include such supplemental materials as
22 required by this article XII, the Colorado Medical Marijuana CodeMMG, and rules adopted
23 pursuant thereto, including by way of example: proof of possession of the licensed premises,
24 disclosures related to ownership of the proposed business, fingerprints of the applicants,
25 building plans, floor plans designating the proposed licensed premises outlined in red, and
26 security plans. The director may, at the director's discretion, require additional documentation
27 associated with the application as may be necessary to enforce the requirements of the
28 Colorado Medical Marijuana CodeMMG and this article XII, and rules adopted pursuant
29 thereto.

30 (e) Expiration of applications. Any application for local licensing submitted pursuant to this article
31 XII must be completed within one (1) year of the date the application is filed and the
32 application fee paid. Except as provided in this paragraph (e), applications that remain
33 pending after the expiration of the one (1) year time period shall be administratively closed

1 and the director shall deny the issuance of a local license. Once an application expires, the
2 applicant must begin the local licensing process anew. At the director’s discretion, the director
3 may extend the application period or approve the issuance of a license for applications that
4 remain pending beyond the one (1) year time period if the applicant can produce, within thirty
5 (30) days after the expiration of the one (1) year time period, documentary or other empirical
6 evidence to establish good cause for the failure to complete the application process. For
7 purposes of this subsection (e), the term “good cause” means the failure to complete the
8 application process occurred due to extraordinary circumstances outside of the applicant’s
9 control.

10 (f) *Corresponding state license.* The director shall not issue a local license unless the applicant
11 produces a corresponding license duly issued by the state licensing authority under the
12 Colorado Medical Marijuana Code.

13 (g) *Pending license applications.* Applications for local licensing may not be transferred, and the
14 director shall deny any application for transfer of ownership or change of location of any
15 pending license application. At the director’s discretion, the director may approve an
16 application for transfer of ownership or change of location of a pending application upon a
17 showing of good cause as defined in this section.

18 **Section 20.** Section 24-508 of the Denver Revised Municipal Code shall be amended by
19 adding the language underlined and deleting the language stricken to read as follows:

20 **Sec. 24-508. Licensing requirements – Medical marijuana centers.**

21 (a) *Area maps.* All applications for medical marijuana center licensing submitted pursuant to
22 this article XII shall include an area map drawn to scale indicating land uses of other
23 properties within a 1,000-foot radius of the property upon which the applicant is seeking a
24 license. The map shall depict, to the best of applicant’s knowledge, the proximity ~~to~~ of the
25 property to any school or child care establishment; to any other medical marijuana center;
26 to any alcohol or drug treatment facility; or to any residential or U-MS-2x zone district.

27 (b) *Prohibited locations.* No medical marijuana center license shall be issued for the following
28 locations:

29 (1) In any residential zone district as defined by the zoning code of the city, in any MS-2, MS-
30 2x, MX-2, MX-2A or MX-2x zone district as defined by the zoning code of the city, or in
31 any location where retail sales are prohibited by the zoning code or by any ordinance
32 governing a planned unit development. The restriction against licensing a medical
33 marijuana center in any MS-2, MS-2x, MX-2, MX-2A or MX-2x zone district shall not apply

1 to any location where the director previously issued a medical marijuana dispensary
2 license under article XI of this chapter 24, a licensed dispensary commenced operations
3 at the subject location, and a licensed medical marijuana dispensary or center has existed
4 in continuous operations at the subject location since the time of original licensing.

5 (2) Within one thousand (1,000) feet of any school ~~or child care establishment~~, with the
6 distance computed by direct measurement in a straight line from the nearest property line
7 of the land used for the school or child care purposes to the nearest portion of the building
8 in which the medical marijuana center dispensary is located, ~~using a route of direct~~
9 ~~pedestrian access~~. This restriction shall not apply to any location where the director
10 previously issued a medical marijuana dispensary license under article XI of this chapter
11 24, a licensed dispensary commenced operations at the subject location, and a licensed
12 medical marijuana dispensary or center has existed in continuous operations at the
13 subject location since the time of original licensing.

14 (3) Within one thousand (1,000) feet of any other medical marijuana center licensed premises
15 or of any premises licensed under article XII of this chapter 24, or any retail marijuana
16 store licensed under article V of chapter 6, with the distance computed by direct
17 measurement in a straight line from the nearest portion of the building in which the center
18 is proposed to be located to the nearest portion of the building in which the other center or
19 the retail marijuana store is located. This restriction shall not apply to any location where
20 the director previously issued a medical marijuana dispensary license under article XI of
21 this chapter 24, a licensed dispensary commenced operations at the subject location, and
22 a licensed medical marijuana dispensary or center has existed in continuous operations at
23 the subject location since the time of original licensing. Upon receipt of two or more
24 applications for a retail marijuana store license or a medical marijuana center license with
25 proposed locations within 1000' of each other, the director shall act upon only the first
26 complete application received and shall reject all subsequent applications.

27 (4) Within one thousand (1,000) feet of any alcohol or drug treatment facility or child care
28 establishment. The 1,000-foot distance shall be computed by direct measurement in a
29 straight line from the nearest property line of the land used for alcohol or drug treatment
30 facility or child care purposes to the nearest portion of the ~~property upon~~ building in which
31 the medical marijuana center license is ~~proposed to be located, using a route of direct~~
32 ~~pedestrian access~~. This restriction shall not apply to any location where the director
33 previously issued a medical marijuana dispensary license under article XI of this chapter

1 24, a licensed dispensary commenced operations at the subject location, and a licensed
2 medical marijuana dispensary or center has existed in continuous operations at the
3 subject location since the time of original licensing.

4 (5) The spacing requirements set forth in paragraphs (2), (3) and (4) of this subsection (c)
5 shall be enforced in lieu of the spacing requirements set forth in the Colorado Medical
6 Marijuana CodeMMC, § 12-43.3-308 (1)(d)(l), C.R.S. as amended.

7 (6) The spacing restrictions set forth in paragraphs (2) and (4) of this subsection (c) shall not
8 apply to any location where the director previously issued a medical marijuana center
9 license under this article XII.

10 (7) For purposes of this subsection (b), the term “continuous operations” means that the
11 regular sale of medical marijuana has occurred at the subject location without interruption
12 by a medical marijuana center licensed under article XII of chapter 24 in compliance with
13 all state and city laws, and any regulations adopted pursuant thereto. Prima facie
14 evidence that a medical marijuana center has not existed in continuous operations shall
15 include:

16 a. Any suspension or cessation of the sale of medical marijuana at the subject
17 location lasting longer than ninety (90) consecutive days; or

18 b. Any period during which the subject location is owned, leased or otherwise
19 occupied for a use other than the sale of marijuana; or

20 c. Expiration, nonrenewal, surrender, transfer of location, or revocation of the state
21 or local medical marijuana license issued for the subject location.

22 (d) Signs and advertising.

23 (3) Except as otherwise provided in this subsection (3), it shall be unlawful for any
24 person licensed under this article or any other person to advertise any medical marijuana or
25 medical marijuana-infused product anywhere in the city where the advertisement is visible to
26 members of the public from any street, sidewalk, park or other public place, including
27 advertising utilizing any of the following media: any billboard or other outdoor general
28 advertising device as defined by the zoning code; any sign mounted on a vehicle, any hand-
29 held or other portable sign; or any handbill, leaflet or flier directly handed to any person in a
30 public place, left upon a motor vehicle, or posted upon any public or private property without
31 the consent of the property owner. The prohibition set forth in this paragraph (3) shall not
32 apply to:

1 (i) Any fixed sign located on the same zone lot as a medical marijuana center
2 which exists solely for the purpose of identifying the location of the medical
3 marijuana center and which otherwise complies with the Denver Zoning Code
4 and any other applicable city laws and regulations; or

5 (4) For purposes of this subsection (ed), the terms "advertise," "advertising" or
6 "advertisement" means the act of drawing the public's attention to a medical marijuana
7 center or medical marijuana infused products manufacturer in order to promote the sale of
8 medical marijuana or medical marijuana-infused product by the center or the
9 manufacturer.

10 (e) Hours of operation. It shall be unlawful for any person to sell medical marijuana or medical
11 marijuana products at a licensed medical marijuana center at any time other than between the
12 hours of 8:00 a.m. and 7:00 p.m. daily.

13 **Section 21.** Chapter 24 of the Denver Revised Municipal Code shall be amended by
14 adding a new section 24-508.5 to read as follows:

15 **Sec. 24-508.5. Licensing requirements—Medical marijuana centers—Public hearing**
16 **requirement.**

17 (a) Public notice; posting and publication.

18 (1) For new medical marijuana center licenses issued on and after January 1, 2016, the
19 director shall schedule a public hearing upon the application and shall post and publish
20 the public notice thereof not less than ten (10) days prior to such hearing. Public notice
21 shall be given by the posting of a sign in a conspicuous place on the premises for which
22 application has been made and by publication in a newspaper of general circulation.

23 (2) Notice given by posting shall include a sign of suitable material, not less than twenty-two
24 (22) inches wide and twenty-six (26) inches high, composed of letters not less than one
25 (1) inch in height and stating the type of license applied for, the date of the application, the
26 date of the hearing, and the name and address of the applicant, and such other
27 information as may be required to fully apprise the public of the nature of the application.
28 If the applicant is a partnership, the sign shall contain the names and addresses of all
29 partners, and if the applicant is a corporation, association, or other organization, the sign
30 shall contain the names and addresses of the president, vice-president, secretary, and
31 manager or other managing officers.

32 (3) Notice given by publication shall contain the same information as that required for signs.

1 (4) If the building in which medical marijuana is to be sold is in existence at the time of the
2 application, any sign posted as required in subsections (1) and (2) of this section shall be
3 placed so as to be conspicuous and plainly visible to the general public. If the building is
4 not constructed at the time of the application, the applicant shall post the premises upon
5 which the building is to be constructed in such a manner that the notice shall be
6 conspicuous and plainly visible to the general public.

7 (b) Conduct of public hearings.

8 (1) At the public hearing held pursuant to this section, any party in interest shall be allowed to
9 present evidence and to cross-examine witnesses. As used in this section, "party in
10 interest" means any of the following:

11 a. The applicant;

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

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

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

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

19 (2) As used in this section, the term "neighborhood" shall have the same meaning as the
20 director utilizes for purposes of issuance of liquor licenses.

21 (3) Any party in interest may request that the director schedule a public hearing on or after
22 5:00 p.m. on any regular business day of the city.

23 (4) The director, in the director's discretion, may limit the presentation of evidence and cross-
24 examination so as to prevent repetitive and cumulative evidence or examination.

25 (c) Results of investigation; decision of director.

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

31 (2) In addition to the standards set forth in paragraph (3) of subsection (c) of this section, the
32 director has authority to refuse to issue any medical marijuana center license for good
33 cause, subject to judicial review. For purposes of this subsection (c), the term "good

1 cause" means:

2 a. The applicant has violated, does not meet, or has failed to comply with any of the
3 terms, conditions, or provisions of the Colorado Medical Marijuana Code or any
4 rule and regulations promulgated pursuant thereto, or this article XII or any rules
5 and regulations promulgated pursuant to this article.;

6 b. With respect to a second or additional medical marijuana center license
7 proposed by the same applicant, the director shall consider the effect on
8 competition of the granting or disapproving of additional licenses to such
9 licensee, and no application for a second or additional license that would have
10 the effect of restraining competition shall be approved.

11 c. For applications to license any medical marijuana center in the same location
12 where any medical marijuana center has previously been licensed, evidence that
13 the licensed premises have been previously operated in a manner that adversely
14 affects the public health, welfare, or safety of the immediate neighborhood in
15 which the establishment is located.

16 d. Evidence that the issuance of the license will adversely impact the health, welfare
17 or public safety of the neighborhood in which the medical marijuana center is
18 proposed to be located

19 (3) In addition to the standards set forth in paragraph (2) of subsection (c) of this section, the
20 applicant shall establish the need for the license by a preponderance of the evidence and
21 the director shall also consider:

22 a. The reasonable requirements of the neighborhood and the desires of the adult
23 inhabitants as evidenced by petitions, remonstrances, or otherwise;

24 b. The number and availability of other medical marijuana centers in or near the
25 neighborhood under consideration; and

26 c. Whether the issuance of such license would result in or add to an undue
27 concentration of medical marijuana center licenses and, as a result, require the use of
28 additional law enforcement resources

29 (4) Before entering any decision approving or denying the application, the director shall
30 consider, except where this article specifically provides otherwise, the facts and evidence
31 adduced as a result of its investigation and the public hearing required by this section,
32 and any other pertinent matters affecting the qualifications of the applicant for the conduct
33 of business as a retail marijuana store.

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

8 **Section 22.** Section 24-510 of the Denver Revised Municipal Code shall be amended by
9 adding the language underlined and deleting the language stricken to read as follows:

10 **Sec. 24-510. Licensing requirements – Optional premises cultivation licenses.**

11 (a) *Compliance with current zoning.*

12 (2) Notwithstanding the requirement set forth in paragraph (1) of this subsection (a), a
13 retail marijuana cultivation license may be issued in a location where plant husbandry is not a
14 permitted use but is already occurring as a compliant or nonconforming use under the zoning
15 code, if and only if the applicant meets the following requirements:

16 (a) A zoning permit for plant husbandry was applied for upon the same zone lot on or
17 before July 1, 2010;

18 (b) ~~The applicant or any person from whom the applicant acquired a medical marijuana~~
19 ~~business previously applied for~~ can show that an optional premises cultivation license upon the
20 same zone lot was applied for with the state medical marijuana licensing authority on or before
21 August 1, 2010, in accordance with § 12-43.3-103(1)(b), 32 C.R.S.; and

22 (c) ~~The applicant or any person from whom the applicant acquired a medical marijuana~~
23 ~~business~~ can produce to the satisfaction of the director documentary or other empirical evidence
24 that the applicant had in fact commenced the cultivation of medical marijuana had commenced on
25 the zone lot prior to January 1, 2011.

26 (3) At the director's discretion, a public hearing may be scheduled for a protested license
27 renewal of aAny optional premises cultivation licenses granted pursuant to subsection (a)(2) of
28 this section upon a zone lot where plant husbandry is not a permitted use under the zoning code
29 shall be subject to a public hearing prior to any renewal of the license if requested by a party in
30 interest as defined in section 24-508.5(b)(1). Such request for a public hearing must be submitted
31 in the form of a petition prepared by the Department and must contain at least ten (10) valid
32 signatures of parties in interest gathered within 90 days of the renewal date. The director shall
33 assign a hearing officer to conduct the public hearing as provided in section 24-505. The hearing

1 shall not be conducted until the director has posted or caused to be posted a notice of hearing on
2 the licensed premises in the manner described in § 12-43.3-302 (2), C.R.S. for a period of ten (10)
3 days, and provided notice to each of the following at least ten (10) days prior to the hearing: the
4 licensee; the city council representative for the district in which the licensed premises is located;
5 and any registered neighborhood association entitled to receive notice as provided in section 12-
6 96. At the public hearing, the incumbent licensee and any other interested party shall be entitled to
7 speak and present evidence supporting or opposing renewal of the license in the location where
8 plant husbandry is not a permitted use. The hearing officer shall receive and give due
9 consideration to any evidence or testimony submitted by the city council member representing the
10 district in which the licensed premises are located, either in support or opposition to the renewal of
11 the license. The optional premises cultivation license shall be eligible for renewal, subject to
12 additional considerations as provided in section 24-513 for all license renewals, in its current
13 compliant or nonconforming location unless it is shown by a preponderance of the evidence
14 presented at the hearing that:

- 15 a. The existence of the medical marijuana cultivation on the licensed premises has
16 frustrated the implementation of the city's comprehensive plan and any adopted
17 neighborhood plan applicable to the subject property;
- 18 b. The existence of the medical marijuana cultivation operation on the licensed
19 premises has negatively affected nearby properties or the neighborhood in
20 general, including by way of example any adverse effects caused by excessive
21 noise, odors, vehicular traffic, or any negative effects on nearby property values;
- 22 c. The existence of the medical marijuana cultivation operation has caused crime
23 rates to increase in the surrounding neighborhood; ~~or~~
- 24 d. The continued existence of a licensed medical marijuana cultivation operation in
25 the subject location will have a deleterious impact on public health, safety and
26 the general welfare of the neighborhood or the city; or
- 27 e. The applicant or any person from whom the applicant acquired a medical
28 marijuana business failed to meet one or more of the requirements specified in
29 paragraph (2) of this subsection (a).

30 **Section 23.** Chapter 24 of the Denver Revised Municipal Code shall be amended by adding
31 a new section 24-510.5 to read as follows:

32 **Sec. 24-510.5. Licensing requirements – Medical Marijuana Testing Facilities.**

1 In addition to the requirements set forth in the Colorado Medical Marijuana Code and any
2 rules or regulations adopted pursuant thereto, the following requirement shall apply to the
3 issuance of any local license for a medical marijuana testing facility: a local medical marijuana
4 testing facility license may be issued in any zone district where, at the time of application for the
5 license, the land use denominated “laboratory, research, development, and technological
6 services” is allowed by the zoning code.

7 **Section 24.** Section 24-511 of the Denver Revised Municipal Code shall be amended by
8 adding the language underlined and deleting the language stricken to read as follows:

9 **Sec. 24-511. Transfer of ownership.**

10 (a) *In general.* Transfer of ownership of any license issued pursuant to this article XII shall be
11 governed by the standards and procedures set forth in the Colorado Medical Marijuana Code
12 ~~MMC~~ and any regulations adopted pursuant thereto, and any additional restrictions on
13 transfer of ownership as provided in this article XII and any rules and regulations promulgated
14 by the director.

15 ~~(d) Cultivation licenses. Any optional premises cultivation license issued pursuant to subsection~~
16 ~~24-510(a)(2) in a location where plant husbandry is not a permitted use under the zoning code~~
17 ~~shall not be transferable to a new owner in that location unless the applicant for the transfer~~
18 ~~proves to the satisfaction of the director that:~~

19 ~~(1) The transfer of ownership is required due to extraordinary circumstances forcing the~~
20 ~~incumbent licensee to divest its interest in the existing optional premises cultivation~~
21 ~~operation including, by way of example, death, divorce, bankruptcy, court order, or any~~
22 ~~force majeure that may prevent the incumbent licensee from continuing to operate in the~~
23 ~~subject location;~~

24 ~~(2) The transfer of ownership is required due merely to corporate restructuring or any~~
25 ~~other change in the legal structure of the incumbent owner and licensee; or~~

26 ~~(3) The transfer of ownership is required because the medical marijuana center or the~~
27 ~~medical marijuana-infused products manufacturing license with which the optional~~
28 ~~premises cultivation license is associated is being transferred to a new owner.~~

29 (e) Disciplinary action. The director shall not receive or act upon any application for transfer of
30 ownership while the state or local marijuana license is subject to disciplinary action nor shall
31 the director receive or act upon any application for transfer of ownership if the corresponding
32 state license has been surrendered or revoked.

1 (f) Corresponding state license. Upon receipt of any application for transfer of ownership of a
2 local license, the director shall not issue a license to the proposed new owner unless the
3 applicant produces written documentation from the state approving the same transfer of
4 ownership of the corresponding state license recorded upon the face of the local license.

5 **Section 25.** Section 24-512 of the Denver Revised Municipal Code shall be amended by
6 adding the language underlined and deleting the language stricken to read as follows:

7 **Sec. 24-512. Change of location; modification of premises.**

8 (a) Change of location of any ~~location~~ license premises or any modification of the licensed
9 premises shall be governed by the standards and procedures set forth in the Colorado
10 Medical Marijuana Code~~MMC~~, this article XII, and any regulations adopted pursuant
11 thereto. Any proposed modification and any new location to which an existing licensed
12 business is transferred shall fully comply with the spacing requirements and the
13 requirements for conformance with current zoning as set forth in sections 24-508, 24-509,
14 or 24-510 of this article XII.

15 (b) Upon receipt of an application for change of location of a medical marijuana center, the
16 director shall schedule a public hearing in accordance with the requirements of section
17 24-508.5 and shall issue written findings for the new location.

18 (c) Corresponding state license. Upon receipt of any application for change of location of a
19 local license, the director not issue a license to the proposed new location unless the
20 applicant produces written documentation from the state approving the same change of
21 location of the corresponding state license recorded upon the face of the local license.

22 **Section 26.** Section 24-513 of the Denver Revised Municipal Code shall be amended by
23 adding the language underlined and deleting the language stricken to read as follows:

24 **Sec. 24-513. Term of licenses; renewals.**

25 (a) Effective March 1, 2014, any local license issued pursuant to this article XII shall be valid for a
26 period of one (1) year from the date of issuance. Any renewal of the license shall be governed
27 by the standards and procedures set forth in the ~~GMMC~~ Colorado Medical Marijuana Code
28 and any regulations adopted pursuant thereto, subject to any additional restrictions on renewal
29 ~~for certain classes of licenses in certain locations as provided in this article XII, and any~~
30 regulations adopted pursuant thereto.

31 (d) If the licensee has received notice of violation of any law or regulation, including disciplinary
32 action against any past or current retail or medical marijuana licenses, the renewal application
33 shall include a copy of the notice or disciplinary action. The renewal application shall also

1 include verification that the corresponding state license is valid and in good standing at the
2 time of renewal.

3 (e) Upon receipt of an application for renewal of any local license, the director shall set a hearing
4 in accordance with the requirements of section 24-514 if there is reason to believe that:

5 (1) The licensee is not in full compliance with the Colorado Medical Marijuana Code, this
6 article XII, or any other applicable state or city law or regulation; or

7 (2) There are grounds for suspension, revocation or other licensing sanctions as provided in
8 this article; or

9 (3) There have been any significant changes in the licensee, the principals, the licensed
10 premises, or the adjacent grounds.

11 (f) Except where the director has received a complete renewal application along with the requisite
12 fees, it shall be unlawful for any person to manufacture, sell, distribute, transfer, transport, or
13 otherwise remove medical marijuana or medical marijuana products from the premises of a
14 licensed medical marijuana establishment after the expiration date listed upon the face of any
15 local license issued pursuant to this article XII for that location.

16 (g) A licensee who files a complete renewal application and pays the requisite fees may continue
17 to operate until the director takes final action to approve or deny the application.

18 **Section 27.** Section 24-514 of the Denver Revised Municipal Code shall be amended by
19 adding the language underlined and deleting the language stricken to read as follows:

20 **Sec. 24-514. Disciplinary actions; sanctions; penalties.**

21 ~~Procedures for suspension or revocation of licenses issued pursuant to this article XII and~~
22 ~~other fines, sanctions and penalties shall be as provided in the CMMC and any regulations~~
23 ~~adopted pursuant thereto.~~

24 (a) Procedures. Procedures for investigation of license violations and for suspension, revocation
25 or other licensing sanctions as a result of any such violation shall be as provided in chapter 32
26 of the Code and any rules and regulations promulgated by the director.

27 (b) Penalties. In lieu of the maximum fine for license violations set forth in section 32-30(c), the
28 director is hereby authorized to impose civil penalties for license violations to the same extent
29 and according to the same standards as are utilized by the Colorado Marijuana Enforcement
30 Division in imposing fines for state license violations under the Colorado Medical Marijuana
31 Code and any and all applicable rules and regulations adopted pursuant thereto.

32 (c) Inactive licenses. The director may suspend or revoke any license if the licensed premises
33 have been inactive or unoccupied by the licensee for at least one (1) year.

1 (d) Summary suspension. If the director finds that probable cause exists that a licensee has
2 engaged in deliberate and willful violation of any applicable law or regulation, or that the public
3 health, safety, or welfare requires emergency action, the director may enter a summary
4 suspension order for the immediate suspension of such license, pending further investigation.

5 (1) The summary suspension order shall be in writing and shall state the reasons therefor.
6 The director shall schedule a hearing within 30 days of the date of the order.

7 (2) Proceedings for summary suspension hearings shall be as provided in section 32, and
8 any rules and regulations promulgated by the director. This section shall be in addition to
9 any other penalties specified in this article XII or chapter 32.

10 (e) State License. The director may suspend or revoke any license if the corresponding state
11 license for the subject location is expired, surrendered, suspended, or revoked.

12 **Section 28.** Section 24-515 of the Denver Revised Municipal Code shall be amended by
13 adding the language underlined to read as follows:

14 **Sec. 24-515. Rules and Regulations.**

15 (a) The director may make such reasonable rules and regulations as may be necessary for the
16 purpose of administering and enforcing the provisions of this article and any other ordinances
17 or laws relating to and affecting the licensing and operation of medical marijuana
18 establishments.

19 (b) It shall be unlawful for any person to violate a rule or regulation adopted by the director
20 pursuant to this section.

21 **Section 29.** Section 32-2 of the Denver Revised Municipal Code shall be amended by
22 adding the language underlined to read as follows:

23 **Sec. 32-2. Application.**

24 (c) Any application for local licensing submitted pursuant to this chapter 32 shall be
25 completed within one (1) year of the date the application is filed and the application fee paid.
26 Except as provided in this subsection (c), applications that remain pending after the expiration of
27 the one (1) year time period and the director shall deny the issuance of a license. Once an
28 application expires, the applicant must begin the licensing process anew. At the director's
29 discretion, the director may extend the application period or approve the issuance of a license for
30 applications that remain pending beyond the one (1) year time period if the applicant can produce,
31 within thirty (30) days after the expiration of the one (1) year time period, documentary or other
32 empirical evidence to establish good cause for the failure to complete the application process. For

1 purposes of this subsection (c), the term “good cause” means the failure to complete the
2 application process occurred due to extraordinary circumstances outside of the applicant’s control.

3 **Section 30.** Section 32-11 of the Denver Revised Municipal Code shall be amended by
4 adding the language underlined and deleting the language stricken to read as follows:

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

6 No license authorized under this Code shall issue unless:

7 (7) No fraudulent, misrepresented, or false statement of material or relevant fact is
8 contained within the application; and

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

11 **Section 31.** Chapter 32 of the Denver Revised Municipal Code shall be amended by
12 adding a new section 32-31 to read as follows:

13 **Sec. 32-31. Rules and regulations.**

14 (a) The director may make such reasonable rules and regulations as may be necessary for
15 the purpose of administering and enforcing the provisions of this article and any other ordinances
16 or laws relating to and affecting the licensing of businesses and individuals that operate in the city.

17 (b) It shall be unlawful for any person to violate a rule or regulation adopted by the director
18 pursuant to this section.

19
20 **Section 32.** Article XI of Chapter 24, D.R.M.C., shall be repealed by deleting the language
21 stricken, as follows:

22 **~~Sec. 24-401. Purpose and legislative intent.~~**

23 ~~Although the possession and use of marijuana is and remains unlawful under Federal law,~~
24 ~~Section 14 of Article XVIII of the Colorado Constitution ("Amendment 20") provides an exception~~
25 ~~to prosecution under state criminal laws when marijuana is possessed and used for medicinal~~
26 ~~purposes by a patient who has been diagnosed with a debilitating medical condition and by the~~
27 ~~patient's primary caregiver. Amendment 20 does not, however, contain any provision for the lawful~~
28 ~~sale or distribution of marijuana to patients and, to date, the State of Colorado has failed to adopt~~
29 ~~laws or regulations to clearly explain how and whether marijuana may be lawfully sold or~~
30 ~~otherwise distributed to patients. As a result of this ambiguity in the state law, unregulated medical~~
31 ~~marijuana dispensaries have proliferated in Denver and elsewhere in Colorado. The purpose of~~
32 ~~this article is to license and regulate medical marijuana dispensaries in the interest of public~~
33 ~~health, safety and general welfare. In particular, this article is intended to regulate the sale and~~

1 distribution of marijuana in the interest of patients who qualify to obtain, possess and use
2 marijuana for medical purposes under Amendment 20, while promoting compliance with other
3 state laws that prohibit trafficking in marijuana for nonmedical purposes. Nothing in this article is
4 intended to promote or condone the sale, distribution, possession or use of marijuana in violation
5 of any applicable law. Compliance with the requirements of this article shall not provide a defense
6 to criminal prosecution under any applicable law.

7 **Sec. 24-402. Definitions.**

8 The following words and phrases, when used in this article, shall have the meanings
9 respectively assigned to them:

10 (1) Director means the director of the department of excise and licenses, or the
11 director's duly authorized representative.

12 (2) Marijuana shall have the same meaning as the term "usable form of
13 marijuana" as set forth in Article XVIII, Section 14(1)(i) of the Colorado Constitution, or as
14 may be more fully defined in any applicable state law or regulation.

15 (3) Medical marijuana dispensary means a business that sells or otherwise
16 distributes marijuana through one (1) or more primary caregivers to six (6) or more
17 patients for medical use, along with any cultivation of marijuana associated with such sale
18 or distribution. The term "medical marijuana dispensary" shall not include any person or
19 entity that distributes marijuana for medical use exclusively to five (5) or fewer patients,
20 and shall not include the private possession and medical use of marijuana by an individual
21 patient or caregiver to the extent permitted by Article XVIII, Section 14 of the Colorado
22 Constitution and any other applicable state law or regulation.

23 (4) Medical use shall have the same meaning as is set forth in Article XVIII,
24 Section 14(1)(b) of the Colorado Constitution, or as may be more fully defined in any
25 applicable state law or regulation.

26 (5) Parent shall have the same meaning as set forth in Article XVIII, Section 14
27 (1)(c) of the Colorado Constitution, or as may be more fully defined in any applicable state
28 law or regulation.

29 (6) Patient shall have the same meaning as is set forth in Article XVIII, Section
30 14(1)(d) of the Colorado Constitution, or as may be more fully defined in any applicable
31 state law or regulation.

1 ~~(7) Primary caregiver shall have the same meaning as is set forth in Article XVIII,~~
2 ~~Section 14(1)(f) of the Colorado Constitution, or as may be more fully defined in any~~
3 ~~applicable state law or regulation.~~

4 ~~(8) School or child care establishment means any public or private school~~
5 ~~meeting all requirements of the compulsory education laws of the state and providing~~
6 ~~instruction to students in kindergarten through grade twelve (12); any public or private~~
7 ~~schools or preschools that provide preparatory schooling for children of any age younger~~
8 ~~than the state age of mandatory attendance; or any child care establishment as defined~~
9 ~~by and regulated under chapter 11 of this Code.~~

10 ~~**Sec. 24-403. License required.**~~

11 ~~(a) On and after March, 1, 2010, and prior to July 1, 2012, it shall be unlawful for any~~
12 ~~person to sell or otherwise distribute any marijuana for medical use in Denver without obtaining a~~
13 ~~license to operate as a medical marijuana dispensary pursuant to the requirements of this article.~~
14 ~~This licensing requirement shall apply regardless of whether or not a medical marijuana~~
15 ~~dispensary has commenced operation prior to March 1, 2010. Any medical marijuana dispensary~~
16 ~~that has commenced operation prior to March 1, 2010, and for which a license application has~~
17 ~~been filed pursuant to this article prior to that date may continue in operation pending final action~~
18 ~~by the director on the application. Any such preexisting medical marijuana dispensary that does~~
19 ~~not or cannot meet the licensing requirements set forth in this article and therefore fails to obtain a~~
20 ~~license shall be terminated immediately upon such denial.~~

21 ~~(b) The license requirement set forth in this article shall be in addition to, and not in lieu~~
22 ~~of, any other licensing and permitting requirements imposed by any other federal, state, or city law~~
23 ~~including, by way of example, a retail sales tax license, a retail food establishment license if~~
24 ~~applicable, any applicable zoning or building permit, and an alarm system permit.~~

25 ~~(c) Applications for medical marijuana dispensary licenses may be accepted by the director~~
26 ~~pursuant to this article until close of business on July 1, 2010. After July 1, 2010, no further~~
27 ~~applications for medical marijuana dispensaries shall be accepted or acted upon by the director~~
28 ~~pursuant to this article.~~

29 ~~(d) Notwithstanding any other provision of this code to the contrary, any medical~~
30 ~~marijuana dispensary license issued or renewed by the director pursuant to this article shall expire~~
31 ~~no later than June 30, 2012. Upon the face of any license issued or renewed after July 1, 2010,~~
32 ~~the director shall include an advisement to the licensee that, in order to lawfully continue operating~~
33 ~~a medical marijuana dispensary on and after July 1, 2012, the licensee shall be required to apply,~~

1 ~~pay all fees and meet all qualifications for licensing as a medical marijuana center under the~~
2 ~~requirements of Article 43.3 of Title 12, C.R.S., and any applicable city laws and regulations.~~

3 **~~Sec. 24-404. General licensing procedures.~~**

4 ~~Except as otherwise specifically provided in this article, the general procedures and~~
5 ~~requirements for issuance and administration of licenses by the director, as more fully set forth in~~
6 ~~article I of chapter 32, shall apply to medical marijuana dispensary licenses. To the extent there is~~
7 ~~any conflict between the provisions of this article and article I of chapter 32, the provisions of this~~
8 ~~article shall control.~~

9 **~~Sec. 24-405. Application.~~**

10 ~~(a) Application for a medical marijuana dispensary license shall be made to the director~~
11 ~~upon forms provided by the director for that purpose. In addition to the information required by~~
12 ~~chapter 32 of this Code, the application shall include the following information:~~

13 ~~(1) Name and address of the owner or owners of the medical marijuana dispensary in~~
14 ~~whose name the license is proposed to be issued.~~

15 ~~(2) If the owner is a corporation, the name and address of any officer or director of the~~
16 ~~corporation, and of any person holding ten (10) percent or more of the issued and outstanding~~
17 ~~capital stock of the corporation.~~

18 ~~(3) If the owner is a partnership, association or company, the name and address of any~~
19 ~~member holding ten (10) percent or more of the interest therein.~~

20 ~~(4) Name and address of any manager or managers of the medical marijuana~~
21 ~~dispensary, if the manager is proposed to be someone other than the owner.~~

22 ~~(5) A statement of whether or not any of the foregoing persons have:~~

23 ~~a. Been denied an application for a medical marijuana dispensary license pursuant to~~
24 ~~this article or any similar state or local licensing law, or had such a license suspended or revoked.~~

25 ~~b. Been convicted of a felony or has completed any portion of a sentence due to a~~
26 ~~felony conviction within the preceding five (5) years.~~

27 ~~(6) Proof of ownership or legal possession of the licensed premises for the term of the~~
28 ~~proposed license. If the licensed premises will be leased, the application shall include written~~
29 ~~consent by the owner of the property to the licensing of the premises for a medical marijuana~~
30 ~~dispensary.~~

31 ~~(7) An operating plan for the proposed medical marijuana dispensary including the~~
32 ~~following information:~~

1 a. ~~— A description of the products and services to be provided by the medical marijuana~~
2 ~~dispensary, including an indication of whether or not the dispensary proposes to engage in the~~
3 ~~retail sale of food for human consumption.~~

4 b. ~~— A floor plan, drawn to scale, showing the layout of the medical marijuana dispensary~~
5 ~~and the principal uses of the floor area depicted therein, including a depiction of where any~~
6 ~~services other than the dispensing of medical marijuana are proposed to occur on the licensed~~
7 ~~premises.~~

8 c. ~~— A security plan indicating how the applicant intends to comply with the requirements~~
9 ~~of subsection 24-408 (g), including an indication of whether or not the applicant intends to utilize~~
10 ~~licensed security guards.~~

11 (8) ~~— An area map, drawn to scale, indicating, within a radius of one quarter mile from the~~
12 ~~boundaries of the property upon which the medical marijuana dispensary is located, the proximity~~
13 ~~of the property to any school or child care establishment, to any other medical marijuana~~
14 ~~dispensary, or to any residential zone district.~~

15 (b) ~~— Any application for a medical marijuana dispensary permit shall be accompanied by~~
16 ~~the application fee, criminal background check fee, and annual fee as required by section 32-93.~~

17 (c) ~~— Upon receipt of an application for a medical marijuana dispensary license, the~~
18 ~~director shall circulate the application to the department of community planning and development,~~
19 ~~the department of finance, the department of environmental health, the Denver Police~~
20 ~~Department, and the Denver Fire Department to determine whether the proposed dispensary is in~~
21 ~~full compliance with any and all laws, rules and regulations administered by the respective~~
22 ~~departments.~~

23 (d) ~~— The director shall perform a criminal background investigation for each applicant or~~
24 ~~manager to determine compliance with section 24-406.~~

25 (e) ~~— The director shall perform an inspection of the proposed licensed premises to~~
26 ~~determine compliance with any applicable requirement of this article.~~

27 (f) ~~— The director shall deny any application for a license that is not in full compliance with~~
28 ~~this article, any other applicable city law or regulation, or any state law or regulation governing~~
29 ~~medical marijuana dispensaries. The director shall also deny any application that contains any~~
30 ~~false or incomplete information.~~

31 **Sec. 24-406. Persons prohibited as licensees and managers.**

32 (a) ~~— No license provided by this article shall be issued to or held by:~~

1 ~~(1) — Any person who, in the immediately proceeding twelve (12) months had a medical~~
2 ~~marijuana dispensary license revoked by the city.~~

3 ~~(2) — Any person who has been convicted of a felony or has completed any portion of a~~
4 ~~felony sentence within the preceding five (5) years, with this prohibition applying to:~~

5 ~~a. — Any owner who is a natural person.~~

6 ~~b. — If the owner is a corporation, any officer or director of the corporation, and any~~
7 ~~person holding ten (10) percent or more of the issued and outstanding capital stock of the~~
8 ~~corporation.~~

9 ~~c. — If the owner is a partnership, association or company, any member holding ten (10)~~
10 ~~percent or more of the interest therein.~~

11 ~~(b) — No licensed premises shall be managed by any person who has been convicted of a~~
12 ~~felony or has completed any portion of a felony sentence within the preceding five (5) years.~~

13 ~~**Sec. 24-407. Prohibited locations.**~~

14 ~~(a) — All medical marijuana dispensary licenses shall be issued for a specific fixed location~~
15 ~~which shall be considered the licensed premises. All sales or distribution of medical marijuana~~
16 ~~shall be made directly by a primary caregiver to a patient upon the licensed premises, or via~~
17 ~~personal delivery of the medical marijuana by the primary caregiver from the licensed premises to~~
18 ~~the patient at the patient's residence.~~

19 ~~(b) — No medical marijuana dispensary license shall be issued for the following locations:~~

20 ~~(1) — In any residential zone district as defined by the zoning code of the city as of March~~
21 ~~1, 2010, or in any other location where retail sales are prohibited by the zoning code as of March~~
22 ~~1, 2010.~~

23 ~~(2) — Within one thousand (1,000) feet of any school or child care establishment, with the~~
24 ~~distance computed by direct measurement from the nearest property line of the land used for~~
25 ~~school or child care purposes to the nearest portion of the building in which the medical marijuana~~
26 ~~dispensary is located, using a route of direct pedestrian access. This restriction shall not apply to~~
27 ~~any applicant who submits a license for a medical marijuana dispensary prior to March 1, 2010,~~
28 ~~for any location where the same applicant had commenced operation of a dispensary on or before~~
29 ~~December 15, 2009, as evidenced by the fact that the applicant submitted an application for a~~
30 ~~retail sales license for the dispensary which was date-stamped as being received by the treasury~~
31 ~~division of the Denver Department of Finance on or before December 15, 2009, and thereby~~
32 ~~obtained a retail sales license for that location bearing an effective date of December 15, 2009 or~~
33 ~~earlier.~~

1 ~~(3) Within one thousand (1,000) feet of any other medical marijuana dispensary, with~~
2 ~~the distance computed by direct measurement from the nearest portion of the building in which~~
3 ~~one (1) medical marijuana dispensary is located to the nearest portion of the building in which the~~
4 ~~other medical marijuana dispensary is located, using a route of direct pedestrian access. This~~
5 ~~restriction shall not apply to any applicant who submits a license for a medical marijuana~~
6 ~~dispensary prior to March 1, 2010, for any location where the same applicant had commenced~~
7 ~~operation of a dispensary on or before December 15, 2009, as evidenced by the fact that the~~
8 ~~applicant submitted an application for a retail sales license for the dispensary which was date-~~
9 ~~stamped as being received by the treasury division of the Denver Department of Finance on or~~
10 ~~before December 15, 2009, and thereby obtained a retail sales license for that location bearing an~~
11 ~~effective date of December 15, 2009, or earlier.~~

12 ~~**Sec. 24-508. Requirements related to licensed premises.**~~

13 ~~(a) No marijuana shall be smoked, eaten or otherwise consumed or ingested on the~~
14 ~~licensed premises.~~

15 ~~(b) No person under eighteen (18) years of age shall be permitted on the licensed~~
16 ~~premises, unless the person has been qualified to possess marijuana for medical use in~~
17 ~~accordance with Article XVIII, Section 14(6) of the Colorado Constitution and the person is~~
18 ~~accompanied by a parent.~~

19 ~~(c) The name and contact information for the owner or owners and any manager of the~~
20 ~~medical marijuana dispensary shall be conspicuously posted in the dispensary.~~

21 ~~(d) Any and all cultivation, processing, storage, display, sales or other distribution of~~
22 ~~marijuana shall occur within an enclosed building and shall not be visible from the exterior of the~~
23 ~~building.~~

24 ~~(e) No licensed premises shall be managed by any person other than the owner or the~~
25 ~~manager listed on the application for the license.~~

26 ~~(f) The medical marijuana dispensary shall be closed to the public, and no sale or other~~
27 ~~distribution of marijuana shall occur upon the licensed premises or via delivery from the licensed~~
28 ~~premises between the hours of 9:00 p.m. and 7:00 a.m.~~

29 ~~(g) The licensed premises shall be monitored and secured twenty-four (24) hours per~~
30 ~~day including, at a minimum, the following security measures:~~

31 ~~(1) Installation and use of security cameras to monitor all areas of the licensed premises~~
32 ~~where persons may gain or attempt to gain access to marijuana or cash maintained by the~~

1 ~~medical marijuana dispensary. Recordings from security cameras shall be maintained for a~~
2 ~~minimum of seventy two (72) hours in a secure off-site location.~~

3 ~~(2) — Installation and use of a safe for overnight storage of any processed marijuana, and~~
4 ~~cash on the licensed premises, with the safe being incorporated into the building structure or~~
5 ~~securely attached thereto.~~

6 ~~(3) — Installation of a monitored user alarm system pursuant to division 2 of article IV of~~
7 ~~chapter 42 of this Code.~~

8 ~~(4) — To the extent the licensee utilizes security guards to patrol the licensed premises,~~
9 ~~any such guards shall be duly licensed in accordance with article V of chapter 42 of this Code.~~

10 **~~Sec. 24-408.5. Changing, altering, or modifying licensed premises.~~**

11 ~~(a) — After issuance of a medical marijuana dispensary license, the licensee shall make~~
12 ~~no physical change, alteration, or modification of the licensed premises which materially or~~
13 ~~substantially alters the licensed premises or the usage of the licensed premises from the plans~~
14 ~~and specifications submitted at the time of obtaining the original license without the prior written~~
15 ~~consent of the director. For purposes of this section, physical changes, alterations, or~~
16 ~~modifications requiring prior written consent shall include, but not be limited to:~~

17 ~~(1) — Any increase in the total size or capacity of the licensed premises.~~

18 ~~(2) — The sealing off, creation of or relocation of a common entryway, doorway or passage~~
19 ~~or other such means of public ingress or egress.~~

20 ~~(3) — Any substantial or material enlargement of a sales counter, or relocation of a sales~~
21 ~~counter, or addition of a separate sales counter.~~

22 ~~(4) — Any material change in the interior of the premises that would affect the basic~~
23 ~~character of the premises or the physical structure that existed in the plan on file with the~~
24 ~~application.~~

25 ~~The foregoing shall not apply to painting and redecorating of premises; the installation or~~
26 ~~replacement of electric fixtures or equipment, the lowering of a ceiling; the installation and~~
27 ~~replacement of floor coverings; the replacement of furniture and equipment; nor to any~~
28 ~~nonstructural remodeling of a licensed premises where the remodel does not expand the existing~~
29 ~~approved area.~~

30 ~~(b) — In making a decision with respect to any proposed changes, alterations, or~~
31 ~~modifications, the director shall consider whether the premises, as changed, altered, or modified,~~
32 ~~will comply with the requirements of this article XI and any other applicable law or regulation.~~

33 **~~Sec. 24-409. Labeling.~~**

1 All marijuana sold or otherwise distributed by the licensee shall be packaged and labeled in
2 a manner that advises the purchaser that the marijuana is intended for use solely by the patient to
3 whom it is sold, and that any resale or redistribution of the marijuana to any third person is a
4 criminal violation.

5 **Sec. 24-410. Compliance with state law.**

6 (a) — To the extent the state has adopted or adopts in the future any additional or stricter
7 law or regulation governing the sale or distribution of marijuana for medical use, the additional or
8 stricter regulation shall control the establishment or operation of any medical marijuana
9 dispensary in the city. Compliance with any applicable state law or regulation shall be deemed an
10 additional requirement for issuance or denial of any license under this article, and noncompliance
11 with any applicable state law or regulation shall be grounds for revocation or suspension of any
12 license issued hereunder.

13 (b) — Any medical marijuana dispensary licensed pursuant to this article may be required
14 to demonstrate, upon demand by the director or by law enforcement officers, that the source and
15 quantity of any marijuana found upon the licensed premises is in full compliance with any
16 applicable state law or regulation.

17 (c) — If the state prohibits the sale or other distribution of marijuana through medical
18 marijuana dispensaries, any license issued pursuant to this article shall be deemed to be
19 immediately revoked by operation of law, with no ground for appeal or other redress on behalf of
20 the licensee.

21 (d) — The issuance of any license pursuant to this article shall not be deemed to create an
22 exception, defense, or immunity to any person in regard to any potential criminal liability the
23 person may have for the cultivation, possession, sale, distribution, or use of marijuana.

24 **Sec. 24-411. Transition provisions.**

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

1 ~~(b) — Medical marijuana centers. For purposes of section 12-43.3-103(1)(a) of the~~
2 ~~Colorado Medical Marijuana Code, a business shall be deemed "locally approved" and potentially~~
3 ~~eligible for licensing as a medical marijuana center under the state code prior to July 1, 2012, if,~~
4 ~~on or before July 1, 2010, the business was operating as a licensed medical marijuana dispensary~~
5 ~~in Denver in compliance with the requirements of this article XI or the business owner or a~~
6 ~~previous owner of the same business had applied for a medical marijuana dispensary license in~~
7 ~~accordance with the requirements of this article XI and the application for a medical marijuana~~
8 ~~dispensary has not been denied by the Director. A licensed medical marijuana dispensary~~
9 ~~qualifying as a "locally approved" business within the meaning of this subsection (b) shall be~~
10 ~~potentially eligible for licensing under the Colorado Medical Marijuana Code as a medical~~
11 ~~marijuana center prior to July 1, 2012, regardless of any change of ownership or change of~~
12 ~~location of the business after July 1, 2010, so long as the business meets all applicable~~
13 ~~requirements for licensing as set forth in state and city laws.~~

14 ~~(c) — Medical marijuana infused products manufacturers. For purposes of section 12-43.3-~~
15 ~~103(1)(a) of the Colorado Medical Marijuana Code, a business shall be deemed "locally approved"~~
16 ~~and potentially eligible for licensing as a medical marijuana infused products manufacturer under~~
17 ~~the state code prior to July 1, 2012 if:~~

18 ~~(1) — On or before July 1, 2010, the business owner or a previous owner of the same~~
19 ~~business had applied for or received any and all city licenses or permits generally applicable to the~~
20 ~~manufacturing and wholesale distribution of products designed for human consumption, including,~~
21 ~~but not limited to, edible products, ointments and tinctures; and~~

22 ~~(2) — The business is located or proposed to be located on a site where commercial~~
23 ~~manufacturing and wholesale distribution of manufactured products is permitted by applicable city~~
24 ~~zoning laws.~~

25 ~~A medical marijuana infused products manufacturer qualifying as a "locally approved"~~
26 ~~business within the meaning of this subsection (c) shall be potentially eligible for licensing under~~
27 ~~the Colorado Medical Marijuana Code as a medical marijuana infused products manufacturer prior~~
28 ~~to July 1, 2012 regardless of any change of ownership or change of location of the business after~~
29 ~~July 1, 2010, so long as the business meets all applicable requirements for licensing as set forth in~~
30 ~~state and city laws.~~

31 ~~(d) — Optional premises cultivation operations. For purposes of section 12-43.3-103(1)(a)~~
32 ~~of the Colorado Medical Marijuana Code, a business shall be deemed "locally approved" and~~

1 ~~potentially eligible for licensing as an optional premises cultivation operation under the state code~~
2 ~~prior to July 1, 2012 if:~~

3 ~~(1) On or before July 1, 2010, the business owner or a previous owner of the same~~
4 ~~business had applied for or received any and all city license and permits generally applicable to~~
5 ~~commercial plant husbandry or was leasing or subleasing property for the purpose of medical~~
6 ~~marijuana cultivation from another property owner or business owner who had applied for or~~
7 ~~received such licenses and permits.~~

8 ~~(2) The business is located or proposed to be located on a site where commercial plant~~
9 ~~husbandry and wholesale distribution of plant products is permitted by applicable city zoning laws;~~
10 ~~and~~

11 ~~(3) The business is owned in common with either a medical marijuana center or a~~
12 ~~medical marijuana infused products manufacturer meeting the requirements of any and all~~
13 ~~applicable state and local laws.~~

14 ~~A commercial plant husbandry operation qualifying as a "locally approved" business within~~
15 ~~the meaning of this subsection (d) shall be potentially eligible for licensing under the Colorado~~
16 ~~Medical Marijuana Code as an optional premises cultivation operation prior to July 1, 2012~~
17 ~~regardless of any change of ownership or change of location of the business after July 1, 2010, so~~
18 ~~long as the business meets all applicable requirements for licensing as set forth in state and city~~
19 ~~laws.~~

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

27
28
29 COMMITTEE APPROVAL DATE:

30 MAYOR-COUNCIL DATE:

31 PASSED BY THE COUNCIL: _____, 2015

32 _____ - PRESIDENT

33 APPROVED: _____ - MAYOR _____, 2015

34 ATTEST: _____ - CLERK AND RECORDER,
35 EX-OFFICIO CLERK OF THE

CITY AND COUNTY OF DENVER

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NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2015; _____, 2015

PREPARED BY: Marley Bordovsky, Assistant City Attorney DATE: _____, 2015

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.

D. Scott Martinez, Denver City Attorney

BY: _____, Assistant City Attorney DATE: _____, 2015

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