

1 BY AUTHORITY

2 ORDINANCE NO. \_\_\_\_\_  
3 SERIES OF 2010

COUNCIL BILL NO. CB10-0569  
COMMITTEE OF REFERENCE:  
4 SAFETY

5 A B I L L

6 **For an ordinance defining the term “locally approved business” for purposes of**  
7 **implementing the Colorado Medical Marijuana Code effective July 1, 2010.**

8 **WHEREAS**, pursuant to HB 10-1284, codified at Article 43.3 of Title 12, C.R.S. as the Colorado  
9 Medical Marijuana Code, the State of Colorado has adopted a new dual state-local licensing system  
10 for medical marijuana dispensaries (to be licensed as “medical marijuana centers”), medical  
11 marijuana infused products manufacturers, and optional premises medical marijuana cultivation.

12 **WHEREAS**, the licensing requirements set forth in the new state law will not be fully  
13 implemented until July 1, 2011; and

14 **WHEREAS**, § 12-43.3-103 (1)(a) of the Colorado Medical Marijuana Code indicates that in  
15 order for a medical marijuana business to be considered lawful prior to July 1, 2011, the business  
16 owner must be, as of July 1, 2010, “operating an established, locally approved business for the  
17 purpose of cultivation, manufacture, or sale of medical marijuana or medical marijuana-infused  
18 products or a person who has applied to a local government to operate a locally approved business for  
19 the purpose of cultivation, manufacture, or sale of medical marijuana infused products which is  
20 subsequently granted;” and

21 **WHEREAS**, although the City Council previously adopted a business licensing ordinance for  
22 medical marijuana dispensaries, the City has not yet created a distinct category of business licensing  
23 for medical marijuana infused product manufacturers or for the cultivation of medical marijuana in a  
24 location other than a licensed dispensary; and

25 **WHEREAS**, the City Council wishes to clarify that a medical marijuana infused products  
26 manufacturer or an optional premises medical marijuana cultivation operation may be considered a  
27 “locally approved business” within the meaning of § 12-43-103 (1)(a) under existing city laws prior to  
28 July 1, 2011, notwithstanding the fact that the city has not yet adopted a specific licensing program for  
29 these types of businesses.

1 NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF  
2 DENVER:

3 Section 1. That article XI of Chapter 24, D.R.M.C. shall be amended by adding a new  
4 section 24-411, to read as follows:

5  
6 **Sec. 24-411. Transition provisions.**

7  
8 (a) *Intent of section.* By virtue of the adoption of HB 10-1284, codified  
9 at Article 43.3 of Title 12, C.R.S. as the Colorado Medical Marijuana Code, the  
10 State of Colorado has provided for the regulation and licensing of certain  
11 commercial medical marijuana businesses. These licensing requirements are to  
12 be fully implemented by July 1, 2011. Prior to July 1, 2011, a “locally approved”  
13 medical marijuana business may lawfully commence or remain in business if the  
14 business meets certain requirements as set forth in section 12-43.3-103 of the  
15 state code. The intent and purpose of this section is to clarify the relationship of  
16 city and state law during the period from July 1, 2010 to July 1, 2011.

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18  
19 (b) *Medical marijuana centers.* For purposes of section 12-43.3-103  
20 (1)(a) of the Colorado Medical Marijuana Code, a business shall be deemed  
21 “locally approved” and potentially eligible for licensing as a medical marijuana  
22 center under the state code if, on or before July 1, 2010, the business is  
23 operating as a licensed medical marijuana dispensary in compliance with the  
24 requirements of this Article XI or the business owner has applied for a medical  
25 marijuana license in accordance with the requirements of this Article XI.

26  
27  
28 (c) *Medical marijuana infused products manufacturers.* For purposes  
29 of section 12-43.3-103 (1)(a) of the Colorado Medical Marijuana Code, a  
30 business shall be deemed “locally approved” and potentially eligible for licensing  
31 as a medical marijuana infused products manufacturer under the state code if:

32  
33 (1) On or before July 1, 2010, the business owner has applied for or received  
34 any and all city licenses or permits generally applicable to the manufacturing  
35 and wholesale distribution of products designed for human consumption,  
36 including but not limited to edible products, ointments and tinctures; and

37  
38 (2) The business is located or proposed to be located on a site where  
39 commercial manufacturing and wholesale distribution of manufactured  
40 products is permitted by applicable city zoning laws.

41  
42 (d) *Optional premises cultivation operations.* For purposes of section  
43 12-43.3-103 (1)(a) of the Colorado Medical Marijuana Code, a business shall be  
44 deemed “locally approved” and potentially eligible for licensing as an optional  
45 premises cultivation operation under the state code if:

1 (1) On or before July 1, 2010, the business owner has applied for or received  
2 any and all city licenses and permits generally applicable to commercial plant  
3 husbandry and wholesale distribution of plant products;  
4

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

9 (3) The business is owned in common with either a medical marijuana center  
10 meeting the requirements of subsection (b) of this section or a medical  
11 marijuana infused products manufacturer meeting the requirements of  
12 subsection (c) of this section.  
13

14 (e) *No entitlement to licensing.* Nothing in this section shall be deemed  
15 to create any property interest, vested right, or entitlement to receive a future  
16 license to operate a medical marijuana center, a medical marijuana infused  
17 products manufacturer, or an optional premises grow operation under the  
18 Colorado Medical Marijuana Code. In order to lawfully remain in existence on  
19 and after July 1, 2011, any and all commercial medical marijuana businesses  
20 shall be required to qualify for state and local licensing under the state code and  
21 otherwise comply fully with the requirements of any other applicable state or city  
22 laws.

23 COMMITTEE APPROVAL DATE:

24 MAYOR-COUNCIL DATE:

25 PASSED BY THE COUNCIL: \_\_\_\_\_, 2010

26 \_\_\_\_\_ - PRESIDENT

27 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_, 2010

28 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
29 EX-OFFICIO CLERK OF THE  
30 CITY AND COUNTY OF DENVER

31 NOTICE PUBLISHED IN THE DAILY JOURNAL: \_\_\_\_\_, 2010; \_\_\_\_\_, 2010

32 PREPARED BY: David W. Broadwell, Asst. City Attorney DATE: June 21, 2010

33 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the  
34 City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
35 ordinance. The proposed ordinance **is not** submitted to the City Council for approval pursuant to §  
36 3.2.6 of the Charter.

37 David R. Fine, City Attorney

38 BY: \_\_\_\_\_, City Attorney DATE: \_\_\_\_\_, 2010

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40 Filed pursuant to Council Rule 5.12 by Council members Brown, Sandoval, and Nevitt.