## Marijuana Legislation

Excise and Licenses
Office of Marijuana Policy

Marijuana Industry Technical Feedback Session January 8, 2021



## Why are we here today?

- To review technical details of the draft marijuana ordinances and engage in a question-and-answer session with the marijuana industry
- To provide continued opportunity for **community participation** by seeking **public feedback** on the DRAFT ordinance language



## Legislation Summary

Bill		Topic	Details
1	Omnibus Bill	<ul> <li>Social Equity</li> <li>Changes to existing licenses</li> <li>Marijuana Delivery</li> </ul>	<ul> <li>Revises Denver's Marijuana Code provisions using an equity lens and creates opportunities for Social Equity Applicants</li> <li>Aligns Denver's Marijuana Code provisions with the Colorado Marijuana Code and state rules</li> <li>Modifies distribution of existing store and cultivation licenses by removing the location cap and location lottery requirements</li> <li>Creates a Denver Marijuana Delivery Program</li> </ul>
2	Bill to Enact Marijuana  Hospitality Program	<ul> <li>Marijuana</li> <li>Consumption</li> </ul>	<ul> <li>Creates a Denver Marijuana Hospitality Program to allow for lawful marijuana consumption establishments</li> </ul>
3	Bill to Repeal Cannabis  Consumption Pilot Program	<ul><li>Marijuana Consumption</li><li>Cleanup</li></ul>	<ul> <li>Repeals citizen-initiated consumption establishment ordinance after enactment of a Denver Marijuana Hospitality Program</li> </ul>



## The New Denver Marijuana Code



### **New Code Basics**

### **Marijuana Codes in Chapter 6**

- Repeals and replaces Chapter 6 of the Denver Revised Municipal Code
- This bill moves the Medical Marijuana provisions from Chapter 24 to Chapter 6 where Retail Marijuana provisions area already located.
- View a comparison of the old code sections and the new Chapter 6.

### **Consistent Terminology**

• This bill aligns our code with state code by incorporating parallel terminology, such as medical and retail stores and cultivation facilities.

### **Requirements for Existing Licenses**

- Provisions governing existing licenses have been evaluated using an equity lens and revised as necessary to clarify or update these requirements.
- Adjustments to language to be consistent with current practices, address evolutions within the cannabis market and simplify readability of the code.



## Advertising

#### **Modifies Definition**

- Old definition: The terms "advertise," "advertising" or "advertisement" mean the act of drawing the public's attention to a retail marijuana store or retail marijuana products manufacturer in order to promote the sale of retail marijuana or retail marijuana product by the store or the manufacturer.
- **New definition:** Advertise, advertising, or advertisement means the act of drawing the public's attention to a medical or retail marijuana business in order to promote the sale of cannabis by a medical or retail marijuana business.

### Maintains Prohibition on Most Outdoor Advertising

This does not include:

- A fixed sign on the business's zone lot for the purpose of identifying the business
- Any advertisement in a newspaper, magazine, or other periodical of general circulation
- Advertising which is purely incidental to sponsorship of a charitable event

### **Adds Exception**

• Prohibition on advertising does not apply to "apparel, consumer goods, or paraphernalia containing only a marijuana business's name, logo, or distinct design features"



## Location Requirements - Proximity

Protected Use	Hospitality: All License Types (PROPOSED)	Marijuana: Designated Consumption Areas (REPEALING)	Marijuana: Medical Centers & Retail Stores (measurement change only)	Marijuana: Cultivations (no proposed changes)
Residential District				1,000 ft.
Schools	1,000 ft.	1,000 ft.	1,000 ft.	1,000 ft.
Childcare Facilities	1,000 ft.	1,000 ft.	1,000 ft.	
City Pools and Rec Centers	1,000 ft.*	1,000 ft.		
Alcohol or Drug Treatment Facility	1,000 ft.*	1,000 ft.	1,000 ft.*	
Other Similar License Types	1,000 ft. from other hospitality		1,000 ft. from other stores/centers	

<sup>\*</sup>Modifying measurement methodology (see next slide)



# Location Requirements: Proximity to City Recreation Centers and Pools (Hospitality only)

Current method of measurement: straight line measurement from the nearest *property line of the land* used for the recreation center or outdoor pool to the nearest portion of the building in which the DCA is proposed to be located.

Cannabis
Consumption
Business

Recreation Center
or Outdoor Pool

Proposed method of measurement: straight line measurement from the nearest external portion of the building in which the recreation center is located or the fence or barrier of the outdoor pool to the nearest external portion of the building in which the hospitality business or store is proposed to be located.

Hospitality or
Hospitality & Sales
Business

Recreation Center
or Outdoor Pool



## Location Requirements: Proximity to Drug & Alcohol Treatment Facilities

### **Current method of measurement:**

straight line measurement from the nearest *property line of the land* used for the drug or alcohol treatment facility to the nearest portion of the building in which the DCA or store is proposed to be located.

Store or Cannabis
Consumption
Business

**Medical Campus** 

Drug & Alcohol
Treatment Facility

### Proposed method of measurement:

straight line measurement from the nearest external portion of the building in which the drug or alcohol treatment facility is located to the nearest external portion of the building in which the hospitality business or store is proposed to be located.

Store, Hospitality
Business, or
Hospitality & Sales
Business

Medical Campus

Drug & Alcohol
Treatment Facility



### Improving the Public Licensure Process

Proposal	Policy Explanation	
Require a <b>Social Impact Plan (SIP)</b> to be submitted with application instead of a Community Engagement Plan.	<ul> <li>Improved transparency – SIPs must be made publicly available</li> <li>Improved accountability – SIPs submitted with renewals must include updates on goals</li> <li>Requirements for a sustainability plan and diversity &amp; inclusion plan</li> </ul>	
Require <b>evidence of community support</b> for hospitality licenses, which will be included in the Social Impact Plan.	Encourages hospitality applicants to communicate with the host neighborhood and work through issues prior to the needs and desires hearing	
If there is no filed opposition to the license application, allow for an expedited <b>docket-style hearing</b> .	If there is no opposition to the license, applicants can save the time and money required to appear at a needs and desires hearing.	
Defer to <u>DRMC Chapter 32</u> on <b>hearing procedures</b> for new licenses and license renewals.	Technical clean-up to align hearing procedures for marijuana licenses with those for other licenses, including appointment of hearing officers	
Section 6-222(e) clarifies the conditions under which a medical or retail marijuana business may be required to undergo a <b>renewal hearing</b> in accordance with existing good cause standards in state law and existing standards in the DRMC.	Codifies existing practices and improves transparency for businesses and neighborhoods	



## Other Changes

Hours of Operation 6-209(a)(1)	• Extend store hours from 8:00 a.m 10:00 p.m. to 8:00 a.m 12:00 a.m.
Safety Requirements 6-209(a)(3)	Require stores to remove product and cash from the sales floor and secure it in a safe at night.
Fee Changes 32-92	<ul> <li>Increase Transfer of Location Fees from \$750 to \$1000 for licenses without a hearing, \$1500 for licenses that require a hearing</li> <li>Increase Modification of Premise Fees from \$150 to \$300</li> <li>Increase Transfer of Ownership Fees from \$150 to \$250</li> </ul>
<b>Transition Permit</b> 6-220(d)	• Once a change of location has been approved, a licensee with a valid transition permit from the State Licensing Authority may temporarily operate at both the new location and former location.
Outdoor Limited Access Areas for Cultivation Facilities 6-211(a)(1)	• A marijuana cultivation facility may transport marijuana product in an outdoor portion of a limited access area only if the outdoor portion complies with state and local laws and regulations applicable to outdoor limited access areas for medical and retail marijuana cultivation facilities.
<b>Modifications of Premises</b> 6-221(c)	<ul> <li>Approved modifications to the licensed premises of a medical or retail marijuana business license shall not affect any exemption that the licensed premises may enjoy from proximity or location restrictions.</li> <li>The director shall deny any application in which the modification of a medical or retail marijuana business would decrease the distance between the nearest external portion of the building in which the medical or retail marijuana business is located and a site or area protected by proximity or location restrictions.</li> </ul>



### **Unlawful Acts**

Topic	Old Code	New Code
Advertising	<ul> <li>6-211 – Licensing Requirements – Retail Marijuana Stores</li> <li>(d)(2) "Except as otherwise provided in this subsection (2), it shall be unlawful for any person licensed under this article or any other person to advertise any retail marijuana or retail marijuana product anywhere in the city where the advertisement is visible to members of the public"</li> </ul>	<ul> <li>6-224 – Unlawful Acts</li> <li>(d) "Except as otherwise provided in this subsection (d), it shall be unlawful for any person to advertise regulated marijuana anywhere in the city where the advertisement is visible to members of the public"</li> </ul>
State and City License Required; Compliance with State and City Laws	6-206 – Unlawful Acts • (a), (b), (c)	6-224 – Unlawful Acts • (a), (b)
Delivery	N/A	<ul> <li>6-224 – Unlawful Acts</li> <li>(e) Unlawful to delivery marijuana without the required licenses/permits</li> </ul>
Hours of Operation	<ul> <li>6-206 – Unlawful Acts</li> <li>(d) Unlawful to sell marijuana other than between the hours of 8:00 a.m. and 10:00 p.m.</li> </ul>	<ul> <li>6-209 – Marijuana Store Licenses</li> <li>(a)(1) Stores shall not transfer, sell, or distribute cannabis between 12:00 a.m. and 8:00 a.m.</li> </ul>



## **Definitions**

New Definitions	<ul> <li>Cannabis</li> <li>Common ownership</li> <li>Private residence</li> <li>Social equity applicant</li> <li>Person</li> <li>Licensee</li> <li>Smoking</li> <li>Liquid petroleum gas</li> </ul>
Formalized Definitions	<ul> <li>Neighborhood of undue concentration of marijuana cultivation facility locations (formerly in 6-203(c)(6))</li> <li>Neighborhood of undue concentration of marijuana store locations (formerly in 6-203(c)(6))</li> <li>Party in interest (formerly in 6-212(b)(3))</li> <li>Continuous operation (formerly in 6-211(b)(5))</li> </ul>
<b>Modified Definitions</b>	<ul> <li>Alcohol or drug treatment facility means any treatment facility licensed or approved by the state office of behavioral health in the department of human services, as provided in Articles 80, 81, and 82 of the Colorado Revised Statutes, as amended. any facility located within a medical office or hospital, as these terms are defined by the zoning code, with the primary purpose of counseling or providing medical services to patients who suffer from addictions to alcohol or drugs.</li> <li>Location means a structure(s) or building(s) identified by a distinct street address assigned by the city in accordance with article IV of chapter 49 of this Code. To the extent the structure(s) or building(s) consists of separately described "units," "suites," "rooms," "buildings," or other similar subdivisions, the structure(s) or building(s) shall nevertheless be counted as one (1) location for the purpose of calculating the cap on marijuana sales locations, tile cap marijuana cultivation locations, and the cumulative cap on marijuana cultivation and sales locations as provided in section 6-203, and for the purpose of administering the laws related to change of location as provided in sections 6-217 and 24-512.</li> </ul>



### Continued Stakeholder Outreach

### Additional ways to provide feedback

- Written comment can be sent to <u>marijuanainfo@denvergov.org</u>. A <u>template</u> is available for your convenience. Deadline for written comments is January 15 at 5:00 p.m.
- You may contact <u>marijuanainfo@denvergov.org</u> to request a meeting to learn more or provide feedback.





## **Q&A Session**

- Written questions submitted in the Q&A box will be answered in an <u>FAQ</u> <u>document</u> that is posted on our <u>website</u>.
- To ask a question live, use the "raise hand" feature. To give everyone an opportunity to speak, each attendee is limited to one question at a time.
- To ask another question, simply "raise your hand" again to get back in the queue.

