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**GRAND JUNCTION CITY COUNCIL
MONDAY, MARCH 14, 2022
WORKSHOP, 5:30 PM
CITY HALL AUDITORIUM AND [VIRTUAL](#)
250 N. 5TH STREET**

1. Discussion Topics

- a. Cannabis Regulations - **Council discussion, no public comment will be accepted.**
- b. Zoning and Development Code Update – Creating a Code Committee for the Update Process, Discussion

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

- 1. Send an email (addresses found here www.gjcity.org/city-government/) or call one or more members of City Council (970-244-1504);

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2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.
 3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during "Citizen Comments."
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Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: March 14, 2022

Presented By: Tamra Allen, Community Development Director, John Shaver, City Attorney

Department: Community Development

Submitted By: Staff Cannabis Working Group

Information

SUBJECT:

Cannabis Regulations - **Council discussion, no public comment will be accepted.**

EXECUTIVE SUMMARY:

The voters approved referred measures 2A and 2B at the City election on April 6, 2021. The approval of those measures provides the City Council with an opportunity to establish tax rates and regulations for the retail cannabis industry in Grand Junction.

The March 14, 2022 work session ("Workshop") is for the City Council to discuss and provide direction on the draft ordinances and associated regulations and procedures.

BACKGROUND OR DETAILED INFORMATION:

Retail Cannabis Store Selection Process

At the February 14th City Council workshop, the Council confirmed zoning, buffering, as amended, and taxation. The consensus continues to be to allow for ten (10) retail store locations city-wide and for those licenses to be awarded through a fair and equitable randomized process for the selection of qualified operators. Recently, the Council received an e-mail from the Broomfield Mayor regarding the Broomfield process. Prior and subsequent to that e-mail, staff reviewed the Broomfield ordinance and selection process and found that a) Broomfield has amended its ordinance to disallow commonality of interests by and among applicant entities, which was a concern raised in an earlier lawsuit filed against Broomfield and b) that since its random selection process was completed on February 22nd a challenge has been filed to a specific finding(s) concerning an application that was found insufficient to continue in the process. That action was brought to review the finding(s) and is not a challenge to the process per se.

To address concerns about “stacking” of leases, the draft ordinance provides that Grand Junction will only accept one application per location with “location” being a property/building that has a discrete legal address/legal description.

Draft Ordinances Overview

Based on direction received from the Council and having reviewed ordinances from across Colorado as a baseline, staff has prepared three ordinances that work collectively to regulate cannabis. Prior to and at the work session, City Council should review, comment, and provide direction on the drafts such that it may provide direction to staff regarding preparation of the final drafts of the ordinances. A summary of each ordinance is provided herein and ideally the Staff and Council will discuss any unresolved questions or comments Council may have with regard to these drafts. Edits from the February 14th draft ordinances have been redlined; and a “clean” version of each ordinance has also been included in the packet. Line numbers below reference the clean version of each ordinance.

Draft Cannabis Uses, Licenses and Regulation Ordinance

This proposed ordinance regulates the uses, licensing, and regulation of regulated cannabis. Staff has bulleted below various sections that are substantive and/or sections which received comments either before or at the February 14th work session.

- Line 590-716: Reorganization of and additional information regarding the composition of the Authority and the role of the Hearing Officer
- Lines 831-1033: Additional requirements added to requirements of initial application; moved from licensing section
- Lines 1034-1066: Additional information about the conduct of the randomized selection process
- Lines 1108-1118: Types of authorized licenses added
- Lines 1134-1136: Provision added to allow the Hearing Officer to extend the operation deadline, not to exceed 24 months
- Lines 1147-1157: Clarification about refunding the License Fee
- Lines 1228-1245: Additional information about the change in corporate structure
- Lines 1415-1419: Maintained insurance quote requirements (versus binding commitment)
- Lines 1823-1827: Hours of operation between 8 a.m. and 10 p.m.

Draft Sales and Use Tax Ordinance

The City Council confirmed the special sales and use tax and excise tax at a rate of 6 percent. The attached draft ordinance will amend Chapters 3.12 and 3.16 of the Grand Junction Municipal Code (GJMC) regarding imposition and rate of tax, licensing and reporting, and expenditure of the tax. As requested by the Council, the ordinance clearly articulates the uses of the special sales/excise tax (6%) from the City’s regular sales tax collection (3.25%), all as discussed at the February 14th work session. (See Lines 93-104 and Lines 113-125)

Draft Zoning and Development Code Ordinance

At previous workshops, City Council confirmed specific elements of the land use regulations regarding retail cannabis businesses. The draft ordinance amending Title 21, including Chapter 4, Chapter 6 and Chapter 10, includes proposed changes to the use table, location specific limitations (Horizon Drive BID and Downtown), buffering from specific land uses, and signage regulations. The March 14th ordinance was revised to remove the required buffer from parks and higher education institutions. (See Lines 143-154)

This draft ordinance proposes signage regulations that allow consistency within the existing overlay districts but provides for limitations in areas that do not lie within an overlay. The proposal includes maximum dimensional allowances of 20 feet in height and 150 square feet in area. (See Lines 189-202) In many cases the current code and zone district standards decrease allowable signage size, such as in the 24 Road Overlay, Greater Downtown Overlay, and Horizon Drive Overlay. For example, in the 24 Road Overlay, no sign can be larger than 100 square feet (versus 300 square feet) and pole signs are not allowed. The draft ordinance provides for regulated cannabis businesses to fall within the “all other properties” designation for the Horizon Drive District, which limits the signage to 20 feet in height and 75 square feet in area. (See Lines 233-244) Included in this report is a table indicating sign regulations limited by overlay district standards as well as the geographical boundaries of each overlay.

Administrative Regulations, Procedures and Fees

Processing Information

Staff has provided a draft workflow that provides a step-by-step outline of the Business License Submittal Requirements and Processing Information. This document provides a brief explanation of the procedural steps required to occur up until the randomized selection process as well as those that will occur for an operator to become licensed.

Forms

In addition to state-required forms, staff has prepared numerous forms (1 through 9) that will work to ensure sufficient information is submitted by the applicant to determine qualification and compliance with the state law and local codes. The draft forms have been attached for review.

Licensing Authority & Hearing Officer

The draft ordinance provides for the creation of a licensing authority which will serve to administer various licensing and renewal processes arising out of the administration and enforcement of the ordinance. In addition, the ordinance calls for the appointment of a hearing officer to hear and decide various matters. The marijuana authority and hearing officer processes are proposed to be generally consistent with how alcohol sales and service businesses are licensed and regulated. As provided in §5.13.015 of the ordinance, rules of the authority will be considered and adopted by City Council resolution at a later date.

Application Fees and Licensing Fees

Staff recommends issues such as the Licensing Fee and Application Fee be considered in a separate resolution and the fees should be generally set to reimburse the City for time and resources utilized to intake, review, process, license and renew regulated cannabis stores. Staff currently recommends a non-refundable Application Fee of \$2,500. In addition, staff recommends a Licensing Fee of \$5,000. The Licensing Fee would be refundable for any applicant that is not selected in the randomized selection process.

FISCAL IMPACT:

N/A

SUGGESTED ACTION:

Staff recommends City Council discuss and provide direction with regard to the selection process and criteria and the content of the three working draft ordinances regarding 1) use, licenses, and regulations, 2) sales, use, and excise tax, and 3) zoning and signage regulations.

Attachments

1. ORD-Cannabis 030822 Redline
2. ORD-Cannabis 030822 Clean
3. ORD-ZDC Cannabis Draft Ordinance 030822 Redline
4. ORD-ZDC Cannabis Draft Ordinance 030822 Clean
5. ORD-Cannabis Tax 030722 Redline
6. ORD-Cannabis Tax 030722 Clean
7. Hearing Officer Procedures 030822
8. City of Grand Junction Randomized Selection Procedures
9. Penalty Guidelines 030822
10. Doc 1_ GJMBL Form #0001_Workflow Narrative_20220308
11. Doc 2_ GJMBL Form #0002_Application Checklist_20220308
12. Doc 3_ GJMBL Form #0003_Oath and Consent_20220308
13. Doc 4_ GJMBL Form #0004_Property Authorization_20220308
14. Doc 5_ GJMBL Form #0005_Proposed Operation Plan_20220308
15. Doc 6_ GJMBL Form #0006_Zoning Verification_20220308
16. Doc 7_ GJMBL Form #0007_Floor Plan and Security Plan Checklist_20220308
17. Doc 8_ GJMBL Form #0008_Security Plan Narrative_20220308
18. Doc 9_ GJMBL Form #0009_Background Addendum
19. Signage-Overlay Comparison 03.08.22
20. Overlays - Zone and Signage Maps
21. Public Comment-R.Grossman
22. Public Comment-R.Grossman 2
23. Public Comment-R.Grossman 3
24. Public Comment-L.Maytin
25. Public Comment-R.Grossman 4

26. Public Comment-Matt Helm
27. Public Comment-D.Rowland
28. Public Comment-R.Grossman 5
29. Public Comment-Marijuana Industry Group
30. Public Comment-S.Beilfuss
31. Public Comment-L. Maytin 2
32. Public Comment-Tetra Public Affairs

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At the April 5, 2011, City election, the electorate voted in favor of prohibiting the operation of medical cannabis businesses and the amendment of the Grand Junction Municipal Code by adding a section that prohibited cannabis (referred to as Measure A).

On November 6, 2012, Amendment 64 was passed by the voters, amending Article 18 of the Colorado Constitution by adding Section 16 which allowed regulated cannabis stores and made it legal for anyone 21 years or older to buy cannabis at such stores. In addition, Amendment 64 allowed anyone over 21 years of age to legally possess and consume up to one ounce of cannabis. Amendment 64 did not change the Federal law; it still remains illegal under Federal law to produce and/or distribute cannabis.

On February 6, 2013, City Council approved Resolution 07-13 adopting cannabis policies for the City and restrictions for persons or entities from applying to function, do business, or hold itself out as a cannabis facility, business, or operation of any sort in the City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited the operation of cannabis cultivation facilities, cannabis product manufacturing facilities, cannabis testing facilities, and regulated cannabis stores. Ordinance 4599 also amended Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibited certain uses relating to cannabis.

In late 2015, the City, Mesa County and Colorado Mesa University, by and through the efforts of the Grand Junction Economic Partnership (GJEP), were successful in establishing the *Colorado Jumpstart* business development program. One business that was awarded the first *Jumpstart* incentive planned to develop a laboratory and deploy its advanced analytical processes for genetic research and its ability to mark/trace chemical properties of agricultural products, one of which was cannabis. In October 2016, City Council passed Ordinance 4722 which amended Ordinance 4599 and Section 21.04.010 of the Grand Junction Municipal Code to allow cannabis testing facilities in the City.

On January 20, 2021, the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021, to repeal Measure A contingent on and subject to voter approval of taxation of cannabis businesses. A majority of the votes cast at the election were in favor of repealing the moratorium on cannabis businesses and in favor of taxation of cannabis businesses.

Accordingly, City Council has determined that certain ~~regulated~~ cannabis businesses, subject to regulations ~~to be~~ adopted by the City, may operate within the City. City Council ~~with this ordinance, will has acted to begin to~~ amend the Grand Junction Municipal Code to provide rules and regulations for licensing and operating regulated cannabis businesses.

City staff and community members, including the Cannabis Working Group, have researched, reviewed, and discussed various approaches to taxation, permitting and regulation of cannabis. Regulations for cannabis uses have been established at the state level with the adoption and implementation of the Colorado Marijuana Code (C.R.S. 44-

78 10-101, *et. seq.*); however, regulation of cannabis uses at the state level alone are not
79 adequate to address the impacts of cannabis on the City.

80 In the interest of the public health, safety and welfare the City intends to regulate the
81 location zoning and other aspects impacts of cannabis businesses in a manner that is
82 consistent with constitutional and statutory standards. Limiting the concentration of any
83 type of business in specific areas will tend to promote high-quality neighborhoods. The
84 City desires to facilitate the provision of quality, regulated cannabis in a safe manner ~~while~~
85 ~~protecting existing uses~~ within the City. Regulation of the manner of operation and
86 location of regulated cannabis businesses will further the health, safety, and welfare of
87 both the public and the customers. Protection of the public health and safety will occur
88 through reasonable limitations on business operations as they relate to air quality,
89 integrating business operations with neighborhoods, integrations, minimum security
90 standards for the businesses and their its personnel, and other concerns. ~~Limiting the~~
91 ~~concentration of any type of business in specific areas will promote high-quality~~
92 ~~neighborhoods.~~ Sale of cannabis may impact health, safety, and community resources,
93 and the proposed ordinance is intended to allow certain regulated cannabis businesses
94 such that those businesses will have as minimal an impact and reduce potential negative
95 impacts as reasonably is possible.

96 This ordinance amends the City's Code (also known as the GJMC) to include time, place,
97 and manner restrictions for operating regulated cannabis businesses in the City while
98 protecting the public health and safety through reasonable limitations on business
99 operations. Regulated cannabis businesses may include regulated-retail and/or co-
100 located retail and medical cannabis businesses.

101 Furthermore, this ordinance proposes the imposition of application and/or operating fees
102 to defray some of the City's costs of licensing regulated cannabis businesses.

103 This ordinance also ~~requires proposes~~ buffering (distance requirements) of cannabis
104 businesses:

105 1,000 feet from any private or public elementary school, middle school, junior high
106 school, high school, Colorado Mesa University and Western Colorado Community
107 College; and

108 ~~500 feet from all public parks or undeveloped park lands as provided by the Parks,~~
109 ~~Recreation and Open Space Master Plan; and~~

110 500 feet from any services for prevention, treatment or recovery from substance
111 use and mental health concerns, as licensed by the Colorado Department of
112 Human Services, Office of Behavioral Health (OBH).

113 Lastly, this ordinance creates a mechanism for monitoring compliance of regulated
114 cannabis businesses in coordination with the laws of the State of Colorado.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
GRAND JUNCTION THAT:

Title 5 Chapter 13 shall read as follows: (Additions to the GJMC are shown in **bold face**
type – deletions or modifications are shown in ~~strikethrough~~.)

5.13.00 REGULATED CANNABIS

5.13.010 Purpose and legislative intent; incorporation of state law.

On January 20, 2021, the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021, to repeal Referred Measure A contingent on and subject to voter approval of taxation of cannabis businesses. The voters approved the April 2021 ballot measures and by and with such authority, City Council intends to regulate the use, possession, ~~cultivation, production,~~ and distribution of cannabis in a manner that is consistent with Article XVIII, Sections 14 and 16 of the Colorado Constitution ~~(also known as Amendment 64)~~ and the Colorado Marijuana Code, C.R.S. § 44-10-101, *et seq.* With the adoption of this Chapter, any provisions of the City's Code that conflicts with this Chapter shall be superseded.

Article XVIII, Section 16(5)(g) of the Colorado Constitution authorizes a system of state licensing for businesses engaging in the regulated sale of cannabis, collectively referred to as "regulated cannabis establishments". This provision allows a municipality within its jurisdiction to prohibit licensing of regulated cannabis establishments; regulate the time, place and manner in which regulated cannabis establishments may operate; and limit the total number of regulated cannabis establishments.

The authority of localities to prohibit or regulate regulated cannabis establishments within their respective jurisdictions, including the authority to engage in local licensing of cannabis establishments is also provided in various provisions of the Colorado Marijuana Code. The Colorado Marijuana Code, among other things, affords municipalities the option to determine whether to license certain regulated cannabis establishments within their respective jurisdictions. Consistent with its lawful authority ~~t~~This Chapter affirmatively authorizes licensing and regulating cannabis related businesses in the City of Grand Junction and to designate a local licensing authority to issue and process applications submitted for such licenses within the City.

This Chapter is adopted pursuant to the constitutional and statutory authority referenced above as well as the City's Charter and home rule authority to adopt and enforce ordinances under its police powers s all in order to preserve the public

155 health, safety and general welfare. By adopting this Chapter, the City intend~~st~~ **is** to
156 implement provisions of the Colorado Marijuana Code and any rules and
157 regulations thereunder except to the extent that more restrictive or additional
158 regulations may be set forth in herein.

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162 Further, the purposes of this Chapter are to:

- 163
164 (1) provide time, place, and manner restrictions for operating a regulated
165 cannabis business in the City;
- 166
167 (2) protect public health and safety through reasonable limitations on business
168 operations as they relate to ~~noise~~, air quality, security for the business and
169 its personnel, and other health and safety concerns;
- 170
171 (3) promote high quality neighborhoods by limiting the concentration of
172 regulated cannabis businesses in specific areas;
- 173
174 (4) impose fees to defray some of the costs to the City of licensing regulated
175 cannabis businesses;
- 176
177 (5) adopt a mechanism for monitoring compliance with the provisions of this
178 Chapter;
- 179
180 (6) create regulations that address the particular needs of the residents, the
181 businesses, and the City and coordinate with laws enacted by the State of
182 Colorado regarding cannabis; and,
- 183
184 (7) issue regulated cannabis business licenses only to Applicants that
185 demonstrate the intent and capability to comply with the law.

186
187 This Chapter is to be construed to protect the interests of the public over the
188 interests of the regulated cannabis businesses. Operation of a regulated cannabis
189 business is a revocable privilege and not a right in the City. There is no property
190 right for any person and/or business to have a regulated cannabis license in the
191 City.

192
193 Nothing in this Chapter is intended to promote or condone the production,
194 distribution, or possession of cannabis in violation of any applicable law.

198 **5.13.011 Applicability.**

- 199
- 200 (a) This Chapter is known and may be cited as the “City of Grand Junction
- 201 Regulated Cannabis Code.” ~~or “Code.”~~ Reference to the City of Grand
- 202 Junction Regulated Cannabis Code, Code or Chapter and the applicable
- 203 section(s) thereof shall be sufficient when citing the provisions ~~of this~~ hereof
- 204 in any legal document, including but not limited to, summons, subpoena,
- 205 pleading, summons and compliant, and memorandum.
- 206
- 207 (b) This Chapter, together with all other titles and chapters of the Grand
- 208 Junction Municipal Code (hereinafter referred to as “GJMC”), shall govern
- 209 all applications submitted for licensing of any regulated cannabis business
- 210 in the City on and after the effective date.
- 211

212 **5.13.012 Applicability of state laws and other laws.**

- 213
- 214 (a) Except as otherwise specifically provided herein, this Chapter incorporates
- 215 and adopts the requirements and procedures set forth in the Colorado
- 216 Marijuana Code and the provisions of the Colorado Rules and Regulations
- 217 promulgated thereunder, as amended, relating to the definition of terms,
- 218 licensing, sales, **hours of sale**, records, inspection, unlawful acts, and all
- 219 other matters pertaining to regulated cannabis, as set out in full therein and
- 220 herein. In the event of any conflict between the provisions of this Chapter
- 221 and the provisions of the Colorado Marijuana Code or any other applicable
- 222 state or local law, the more restrictive provision shall control. Licensees
- 223 shall comply with and conduct their business in compliance with all
- 224 applicable state and local laws, rules and regulations, and the terms and
- 225 conditions of their license. Noncompliance with any applicable state or local
- 226 laws, rules or regulations shall be grounds for suspension, revocation or
- 227 non-renewal suspension of any license issued hereunder and/or imposition
- 228 of fine(s), and/or fine(s) in lieu of suspension, and other allowable sanctions.
- 229
- 230 (b) Compliance with any applicable state law or regulation shall be deemed
- 231 additional requirements for issuance of any license and conduct of any
- 232 business under this Chapter, and noncompliance with any applicable law or
- 233 regulation shall be grounds for suspension, revocation or non-renewal
- 234 suspension of any license issued hereunder and/or imposition of fines and
- 235 other allowable sanctions.
- 236
- 237 (c) If the state prohibits the sale or other distribution of cannabis through
- 238 regulated businesses, any license issued hereunder shall be deemed
- 239 immediately revoked by operation of law.
- 240

Commented [JS1]: Local option See 5.13.036b

241 **5.13.013 Definitions.**

242
243 The definitions set forth in Article XVIII, Subsections 14(2) and 16(2) of the Colorado
244 Constitution, as well as the definitions provided by the Colorado Marijuana Code,
245 the Colorado Code of Regulations, and the Department of Revenue Regulated
246 Marijuana Enforcement Division Rules and regulations as amended, are adopted
247 herein unless by reference specifically amended hereby.

248
249 “Advertise” means the act of drawing the public’s attention, whether in print, signs,
250 or electronic means, to a regulated cannabis business in order to promote the sale
251 of cannabis by the business.

252
253 “Affiliated entity” or “affiliate” means a person as defined herein, having ownership
254 or any level of control in common with an entity, in whole or in part, including
255 without limitation, an entity’s parent corporation, franchisor, licensor and any
256 subsidiary(ies) or affiliates or such corporation(s). Affiliate also means a person
257 using the same trade name as another person.

258
259 “Appealing to minors” means any display on the internet, by audio, in print on a
260 sign, or similar presentation visible to individuals under 21 years of age that
261 contains visual, ~~or~~ audio or print depictions of cartoon characters, caricatures,
262 consumable products, individuals that seem under 21 years of age or engaging in
263 activities not typical of adults. Visual, audio or print depictions of animals may be
264 allowed so long as they do not violate other restrictions in the GJMC.

265
266 “Application fee” shall mean the fee paid to the City by each Applicant at the time
267 of submitting an application to the City.

268
269 “Applicant” shall mean any person or entity who has applied for a license or
270 renewal of a license issued pursuant to this Chapter. If the Applicant is an entity
271 and not a natural person, Applicant shall include all persons who are the members,
272 managers, officers, directors, and shareholders of such entity.

273
274 “Cannabis”, also known as marijuana, shall have the same meaning as the term
275 “usable form of marijuana” as set forth in Article XVIII, Section 16(2)(f) of the
276 Colorado Constitution or as may be more fully defined in any applicable State law
277 or regulation. “Marijuana” may alternatively be spelled “marihuana”.

278
279 “Cannabis business” shall means regulated cannabis business as defined in this
280 Chapter.

281
282 “Cannabis operator” means a medical cannabis business operator or a retail
283 cannabis business operator.

284
285 “Cannabis paraphernalia” or “paraphernalia” shall mean devices, contrivances,
286 instruments and paraphernalia for inhaling or otherwise consuming regulated
287 cannabis, including, but not limited to, rolling papers, related tools, water pipes
288 and vaporizers.
289
290 “Cannabis product” means ~~“medical cannabis product”~~ or ~~“regulated retail~~
291 ~~cannabis product”~~.
292
293 “Cannabis product manufacturer” means a medical cannabis products
294 manufacturer or a retail cannabis products manufacturer.
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296 “Cannabis testing facility” means a medical cannabis testing facility or a retail
297 cannabis testing facility.
298
299 “City Attorney” means the City Attorney or the City Attorney’s designee.
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301 “City Manager” means the City Manager or the City Manager’s designee.
302
303 ~~“Colorado Medical Marijuana Code” shall mean Title 44, Article 11, C.R.S. and any~~
304 ~~rules or regulations promulgated thereunder.~~
305
306 “Colorado Marijuana Code” shall mean Title 44, Article 10, C.R.S. and any rules or
307 regulations promulgated thereunder.
308
309 “Company material” means any information printed or transmitted electronically
310 that includes the name and logo of a particular cannabis business(es) and
311 promotes the business or describes cannabis or cannabis product distributed by
312 the business(es). Company material may include promotion of the business to
313 potential employees over the age of 21, or investors, or instructions for use of any
314 cannabis or cannabis products distributed by the business(es).
315
316 “Coupon” means a printed voucher or token entitling the holder to a discount for
317 a particular product or service. Coupon does not include showing a government-
318 issued verification of age or military status, or registration for a charitable event,
319 or similar item the showing of which, without providing a separate printing to the
320 business, entitles the holder to a discount for a particular product or service.
321
322 “Distribution” or “distribute” means the actual, constructive, or attempted transfer,
323 delivery, sale, or dispensing to another, with or without remuneration.
324
325 “Educational material” means materials prepared by a governmental or non-profit
326 entity that are designed to provide information, facts, instructions, and warnings

related to the legal use or consumption of cannabis and cannabis products. Educational materials do not include arguments for or against the legalization of cannabis or encourage the use of cannabis or advertisements, including the name and logo for any cannabis business.

“Entity” means a domestic or foreign corporation, cooperative, general partnership, limited liability partnership, limited liability company, limited partnership, limited liability limited partnership, limited partnership association, nonprofit association, nonprofit corporation or any other organization or association that if formed under a statute or common law of the state of Colorado or any other jurisdiction as to which the laws of Colorado or the laws of any other jurisdiction govern(s) relations among owners and between the owners and the organization or association and that is recognized under the laws of the state of Colorado or the other jurisdiction as a separate legal entity.

“~~Operating~~ Fees” means that fee(s) set and established by Resolution of City Council and paid annually to the City by each Licensee. ~~Operating~~ fees may be charged by the City for costs including but not limited to licensing, inspection, administration, and enforcement of cannabis businesses authorized pursuant to the Colorado Constitution, the Colorado Marijuana Code, this Code, and any of the rules and regulations adopted pursuant thereto.

~~“Fermented malt beverage” shall mean the same as referenced in Chapter 5.04.010 of the GJMC.~~

“Financier” means any person who lends money or otherwise provides assets to any person applying for license under this Chapter. If a financier is an entity rather than an individual, the same disclosure shall be required for each entity with an ownership interest until a managing member that is a natural person is identified. Financier shall not include a bank, savings and loan association, credit union, or industrial bank supervised and regulated by an agency of the state or federal government, or any person in the business of leasing equipment or cannabis business for which the rental amount does not include any percentage of the business or its profits, or any person that has been qualified as a beneficial owner (as defined by the Colorado Marijuana Code).

“Financial interest” shall mean any ownership interest(s).

“Good cause”, for the purposes of approving, refusing or denying the issuance or renewal of a license, means:

- a. The Licensee or Applicant has violated, does not meet, or has failed to comply with any terms, conditions, or provisions of the Colorado

Marijuana Code, the City Code, any rule and regulation adopted pursuant thereto, or any supplemental relevant state or local law, rule or regulation related to the cultivation, processing, manufacture, storage, sale, distribution, transportation, ~~testing,~~ and research, or consumption of any form of cannabis;

b. The Licensee or Applicant has failed to comply with any special term or condition placed on the license by order of the state licensing authority or the ~~L~~ocal ~~L~~icensing ~~A~~uthority;

c. Evidence ~~of~~ the Licensee's licensed premises ~~has~~have been operated in a manner that adversely affects the public health, safety or the general welfare of the City or the immediate neighborhood where the business is located, which evidence may include a continuing pattern of violations of the Colorado Marijuana Code, the City's Code, or terms and conditions of a license issued pursuant to this Chapter, a continuing pattern of unlawful or violent activity occurring in the location and in association with the operation of the business; or

d. Evidence the Applicant or Licensee, or any officer, director, owner, manager, agent or employee of the Applicant or Licensee is not of good moral character.

"Good moral character" means an individual who has a personal history ~~demonstrating~~ honesty, fairness, and respect for the rights of other and for conformance to the law which may include considerations of whether an individual has:

a. Ever had a professional or occupation license denied, suspended, or revoked;

b. Ever had a business or sales tax license denied, suspended, or revoked;

c. Ever surrendered, been denied, or had any type of cannabis related license or permit placed on an administrative hold, suspended or revoked;

d. Ever been denied any type of cannabis related business license;

e. Ever had a business temporarily or permanently closed for failure to comply with any tax, health, building, fire, zoning or safety law;

Commented [JS2]: Citation was requested – see, CCR 1-115

- 413 f. Ever had any administrative, civil or criminal finding of delinquency
414 for failure to file or failure to pay state or local sales or use taxes or
415 any other taxes;
416
- 417 g. Ever been convicted of or pled guilty or no contest to a crime of moral
418 turpitude; or
419
- 420 h. Within the previous five years been convicted of any misdemeanor,
421 petty offense or any local ordinance violation related to the cultivation,
422 processing, manufacture, storage, sale, distribution, transportation,
423 testing, research, or consumption of any form of cannabis, drug or
424 controlled substance; or within the previous five years been convicted
425 of a non-drug related felony; or, at any time, been convicted of a felony
426 related to the cultivation, processing, manufacture, storage, sale,
427 distribution, transportation, testing, research, or consumption of any
428 form of cannabis, drug or controlled substance.
429

430 “Handbill”, “leaflet” or “flyer” means a flat or folded sheet of printed material that
431 is a notice, advertisement, or announcement, usually for distribution by hand, for
432 free, either directly to an individual or by placement on vehicles or other locations.
433 Handbill, leaflet, or flyer does not include educational materials without the name
434 or logo of a cannabis business, or information made available within the licensed
435 premises of a cannabis business.
436

437 “Immature plant” means a nonflowering cannabis plant that is not required by the
438 Colorado Marijuana Enforcement Division to have a RFID tag. In no event shall a
439 plant be considered an immature plant if it is no taller than eight inches and no
440 wider than eight inches; is produced from a cutting, clipping, or seedling; and is in
441 a cultivating container.
442

Commented [LB3]: See 44-10-103(18)

443 ~~“In-charge employee” means the individual designated by the owner of the~~
444 ~~cannabis business as the person responsible for all operations of the business in~~
445 ~~the absence of the owner from the licensed premises. In-charge employees shall~~
446 ~~have access to lock and unlock doors, lock and unlock safes, arm and disarm the~~
447 ~~alarm, have access to the video surveillance equipment and who can operate and~~
448 ~~access past footage and produce still color photographs from the on-site, as well~~
449 ~~as the off-site video surveillance equipment upon request.~~
450

451 “Incidental to sponsorship of charitable events” means the printing of the names
452 of all sponsors of a particular charitable event by the event organizer on
453 advertisements, banners, clothing, programs, or similar items. Incidental to
454 sponsorship of charitable events does not include the placement of a booth(s) or

distribution of material(s) that does not list or is for the use of all sponsors of the event.

“License” shall mean to grant a revocable privilege to lawfully operate in the City a cannabis related business activity authorized pursuant to the Colorado Marijuana Code and this Chapter.

“License fee” shall mean that fee set and established by Resolution of City Council and paid annually to the City by each Licensee.

“Licensed premises” means the premises specified in an application for a license or permit authorized pursuant to the Colorado Marijuana Code and this Chapter, which are owned or in the legal possession of the Licensee and within which the Licensee is authorized to cultivate, manufacture, distribute, research, sell, store, transport, or test cannabis, cannabis products, and cannabis concentrates in accordance with all applicable laws.

“Licensee” means any person licensed or granted a permit pursuant to the Colorado Marijuana Code or this Chapter, including the cannabis business named on the cannabis business license and all individuals named in the cannabis business license application or later reported to the City, including without limitation, owners, managers, financiers, and individuals owning any part of the entity that holds a financial or ownership interest in the cannabis business.

~~“Liquid assets” mean assets that can be readily converted into cash and includes assets that will be placed directly into the cannabis business. Liquid assets include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, United States savings bonds, furniture and equipment, packaged cannabis, and related products and inventory to be transferred to the cannabis business. Liquid assets do not mean household items, vehicles, cannabis plants, and real property and improvements thereto.~~

Commented [JS4]: Removed because it was a holdover from merit and is no longer necessary.

“Local Licensing Authority” also known as “Cannabis Licensing Authority” (“Authority”) means an authority designated by the City Council.

~~“Mall” means Mesa Mall located at 2424 US Highway 6, Grand Junction, CO 81505.~~

~~“Malt, vinous, and spiritous liquor” has the same meaning as defined in the Colorado Liquor Code (Title 44, Article 3, C.R.S.) or in the Colorado Beer Code (Title 44, Article 3, C.R.S.)~~

“Manager” means:

- 496 a. A member of a limited liability company in which management is not
497 vested in managers rather than members;
- 498 b. A manager of a limited liability company in which management is
499 vested in managers rather than members;
- 500 c. A member of a limited partnership association in which management
501 is not vested in managers rather than members;
- 502 d. A manager of a limited partnership association in which management
503 is vested in managers rather than members;
- 504 e. A general partner;
- 505 f. An officer or director of a corporation, a nonprofit, a cooperative, or a
506 limited partnership association; or
- 507 g. Any person whose position with respect to an Entity, as determined
508 under the constituent documents and organic statutes of the Entity,
509 without regard to the Person's title, is the functional equivalent of any of
510 the positions described in this definition.

511 "Minor" means a person under 21 years of age.

512 "Modification of premises" means a change to a regulated cannabis business that
513 requires a building or other permit from the City or changes any part of the plans
514 required as part of the application for the cannabis business license. Modification
515 of premises does not include routine maintenance, including replacement of
516 lightbulbs or filters, painting, cleaning or replacement of non-mechanical items
517 such as windows and flooring so long as the maintenance does not result in a
518 change to the plans required as part of the application.

519 ~~"Operating fees" means that fee(s) set and established by Resolution of City~~
520 ~~Council and paid annually to the City by each Licensee. Operating fees may be~~
521 ~~charged by the City for costs including but not limited to inspection,~~
522 ~~administration, and enforcement of cannabis businesses authorized pursuant to~~
523 ~~the Colorado Constitution, the Colorado Marijuana Code, this Code, and any of the~~
524 ~~rules and regulations adopted pursuant thereto.~~

525 "Owner" means the person or persons whose beneficial interest in a regulated
526 cannabis business bears a risk of loss other than an insurer, has an opportunity
527 to gain profit from the operation or sale of the business and has a controlling
528 interest in a cannabis businesses, business entity or license, and includes any
529 other person(s) that qualifies as an owner pursuant to state law, rules or
530 regulations.

531 “Person” shall mean a natural person, partnership, association, company,
532 corporation, limited liability company or other organization or entity or a manager,
533 agent, owner, officer or employee thereof.

534 “Place open to the general public” means any property owned, leased, or used by
535 a public entity, and any place on private property open to the public, common area
536 of buildings, private clubs, vehicles, those portions of any private property upon
537 which the public has an express or implied license to enter or remain, and any
538 place visible from such places.

539 “Possess” or “possession” means having physical control of the premises in
540 which an object is located or having the power and intent to control an object,
541 without regard to whether the one in possession has ownership of the object.
542 Possession may be held by more than one person at a time. Use of the object is
543 not required for possession. The owner of a regulated cannabis business shall be
544 considered in possession of the regulated cannabis business at all times. The
545 manager of a regulated cannabis business shall be considered in possession of
546 the regulated cannabis business at all times that the manager is on the premises
547 of the business or has been designated by the owner as the manager in the
548 absence of the owner in accordance with this Chapter.

549 “Premises” means a distinct and definite location, which may include a building, a
550 part of a building, a room, or any other defined contiguous area.

551 ~~“Primary home” means that home or place in which a person’s habitation is fixed~~
552 ~~and to which the person, whenever absent, has the present intention of returning~~
553 ~~after a departure or absence therefrom, regardless of the duration of such~~
554 ~~absence. A “primary home” is a permanent building or part of a permanent~~
555 ~~building and may include, by way of example, a house, condominium, apartment,~~
556 ~~room in a house or manufactured housing. No rental property, a vacant house or~~
557 ~~cabin or other premises used solely for business purposes shall be considered a~~
558 ~~primary home.~~

Commented [JS5]: Removed because it was a holdover from merit and is no longer necessary.

560 ~~“Rehabilitation center” means any facility(ies) or transitional residential treatment~~
561 ~~facility(ies) operating after the effective date of this Chapter for prevention,~~
562 ~~treatment or recovery from substances and mental health concerns as licensed by~~
563 ~~the Colorado Department of Human Services, Office of Behavioral Health (OBH),~~
564 ~~licensed by the Colorado Department of Human Services.~~

565 ~~“Restricted area” means the portion of a cannabis business within which the~~
566 ~~“Licensee” defines on its application it intends to distribute, possess, or produce~~
567 ~~regulated cannabis and which area is clearly identified as the restricted area on the~~
568 ~~floor plan submitted with the cannabis business license application for the~~
569 ~~business.~~

570 “Regulated cannabis businesses aka “Regulated marijuana businesses” means:

571 any Medical Marijuana Business and Retail Marijuana Business as defined by
572 Colorado law. ~~person that produces, distributes, possesses, tests or makes~~
573 ~~available more than six cannabis plants or one ounce of cannabis; any person~~
574 ~~that sells any amount of cannabis; or~~

575 ~~any person who possesses cannabis openly or publicly.~~

576 The term regulated cannabis business shall not include the private cultivation,
577 possession, or use within a person’s residence of no more than:

578 (a) six plants in an enclosed, locked space, or

579 (b) one ounce of cannabis; or

580 (c) the cannabis derived from no more than six plants on the premises where
581 the plants were grown if the plants were grown in an enclosed, locked space.

582 “Regulated cannabis plant” means a cannabis seed that is germinated and all
583 parts of the growth therefrom, including, without limitation, roots, stalks, and
584 leaves. Cannabis plant shall include immature plants except where specifically
585 exempted in this Code. For purposes of this Chapter, the portion of regulated
586 cannabis plant harvested from the plant or converted to a usable form of regulated
587 cannabis for medical use is not considered part of the plant upon harvesting.

588 “Restricted area” means the portion of a cannabis business within which the
589 “Licensee” defines on its application it intends to distribute, possess, or produce
590 regulated cannabis and which area is clearly identified as the restricted area on the
591 floor plan submitted with the cannabis business license application for the
592 business.

593 “Safe” means a metal box, attached to the building structure, capable of (a) being
594 locked securely by either a mechanical or electronic combination lock that is
595 protected by a case hardened drill resistant steel plate or drill resistant material of
596 equivalent strength; (b) having door hinges that prevent the removal of the door,
597 including but not limited to hinges that are not exposed to the outside, interlocking
598 door designs, dead bars, jeweler’s lugs and an active or inactive locking bolts; (c)
599 being constructed in a manner to prevent opening by human or mechanical force,
600 or through the use of common tools, including but not limited to hammers, bolt
601 cutters, crow bars or pry bars; and (d) being certified by the manufacturer to be
602 adequate for securely storing the quantity of monetary funds and physical
603 cannabis product of the cannabis business. ~~the Grand Junction Police Department~~
604 ~~may approve security devices such as vaults and strong rooms that are~~
605 ~~functionality equivalent to safes.~~

606 **“Violation of any law” means a plea or finding of a violation of any law in a criminal,**
607 **civil, or administrative proceeding whether part of a plea agreement, settlement**
608 **agreement or determination by an arbitrator, hearing officer, court, or jury.**

609
610
611
612 **5.13.014 License Required.**
613

- 614 (a) It shall be unlawful for any person to engage in any form of business or
615 commerce or activity involving cultivation, processing, manufacturing,
616 storage, sale, distribution, transportation, testing, research or consumption
617 of any form of cannabis or cannabis products other than those forms of
618 business and commerce activities that are expressly contemplated by
619 Sections 14 and 16 of Article XVIII of the Colorado Constitution, Colorado
620 Marijuana Code, this Code, or other applicable provisions of the GJMC.
621
- 622 (b) It shall be unlawful for any person to operate a regulated cannabis business
623 in the City without a license to operate issued pursuant to the requirements
624 of this Chapter while concurrently holding a license in good standing from
625 the state and in compliance with any and all applicable laws.
626
- 627 (c) No regulated cannabis business shall operate without obtaining any other
628 license(s) or permit(s) required by any federal, state, or local law, by way of
629 example, a regulated sales and use tax license, a retail food business
630 license, or any applicable zoning or building permit. No two or more different
631 regulated cannabis businesses may be treated as one premise unless
632 approved as co-located businesses. Retail and medical cannabis may be
633 co-located; however, if not co-located medical licenses will not be separately
634 considered in accounting for the 10 (ten) license cap.
635
- 636 (d) The license(s) required to lawfully conduct business must be in full force
637 and effect, all applicable fees and taxes have been paid in full, and all
638 conditions of the license application be satisfied in order to conduct
639 business. Each and every license applies to the person/entity named
640 thereon and the activity(ies) authorized by the license and the location where
641 the sale and/or possession occurs. Failure to maintain a current, valid
642 license shall constitute a violation of this Chapter.
643
- 644 (e) It shall be unlawful for any person to exercise any of the privileges granted
645 by a License other than the person(s) issued the License.

646 (f) It shall be unlawful for any person(s) granted a license to allow any other
647 person to exercise any privilege granted under the License.

648 (g) It shall be unlawful for any person to operate any cannabis business in the
649 City without a License issued by the City and the State licensing authorities
650 pursuant to the Colorado Marijuana Code, this Chapter and other applicable
651 provisions of the GJMC and applicable law.

652 (h) The issuance of a City license pursuant to this Chapter does not create an
653 exception, defense, or immunity to any person in regard to any potential
654 criminal liability the person may have for the production, distribution,
655 storage, transportation or possession of cannabis.

656
657 (i) All persons who are engaged in or who are attempting to engage in the
658 distribution, and/or sale of regulated cannabis in any form shall do so only
659 in strict compliance with the terms, conditions, limitations, and restrictions
660 in Section 14 and 16 of Article XVIII of the Colorado Constitution, state law,
661 the Colorado Marijuana Rules, the GJMC , and all other laws, rules, and
662 regulations.

663
664 **5.13.015 Licensing Authority (Cannabis Licensing Authority).**
665

666 For the purpose of regulating and controlling the licensing and the sale of
667 regulated cannabis in the City, there is hereby created a local licensing authority
668 appointed by the City Council, hereafter referred to as Authority. The Authority
669 shall act in conjunction with the City's Liquor and Beer Licensing Authority.
670 ~~and shall serve the purpose of regulating and controlling the licensing of~~
671 ~~cannabis businesses in the City.~~

672
673 (a) Structure of Authority.
674

675 1. Hearing Officer. A Hearing Officer for the Authority shall be appointed by,
676 and serve at the pleasure of, the City Council. Alternate hearing officer(s)
677 may be appointed to serve if the Hearing Officer is absent and/or a conflict
678 exists for which the Hearing Officer must be recused. ~~from presiding over.~~

679
680 i. The Hearing Officer shall be a resident of the City and have an
681 active license to practice law in the State of Colorado.

682
683 i.ii. Duties of the Hearing Officer. The Hearing Officer shall:
684

685 1. Conduct all hearings required under this Chapter, rules
686 and regulations, and codes construing and implementing
687 the same.

688
689 2. Conduct all hearings for initial licenses, renewal of
690 licenses, for proposed changes of ownership of licenses
691 and changes of the corporate structure of license, and for
692 proposed changes of location of licensed premises or
693 modification of premises.

694
695 3. Conduct all hearings brought under such codes when
696 violations of the codes or the regulations under the codes
697 have been alleged to have occurred and to impose
698 penalties against Licensees in the manner provided by
699 this Chapter on its own motion or on complaint by the
700 City Attorney for any violation by the Licensee after
701 investigation and public hearing at which the Licensee
702 shall be afforded an opportunity to be heard.

703
704 4. Promulgate rules and regulations concerning the
705 procedures for hearings before the Authority.

706
707 5. Require any Applicant or Licensee to furnish any relevant
708 information required by the Authority.

709
710 6. Grant or deny motions, make findings and orders,
711 administer oaths and issue subpoenas to require the
712 presence of persons and the production of papers, books
713 and records at any hearing which the Authority is
714 authorized to conduct.

715
716 iii. The Hearing Officer may be removed by the City Council for
717 nonattendance to duty or for cause. If the Hearing Officer fails
718 to attend three (3) consecutive meetings of the Authority, he/she
719 shall be removed from the Hearing Officer position unless the
720 City Council excuses any such absences.

721
722 2. The City Manager shall serve as the secretary of the Authority and shall provide
723 or cause to be provided the necessary administrative and reporting services for
724 the Authority. The City Manager shall accept and process applications, schedule
725 hearings for the Authority, provide public notice for the hearings, prepare the
726 hearing room, be present at all hearings, ensure the hearings are recorded, [take](#)
727 [meeting minutes](#) and any other duties as necessary. The City Manager shall be
728 present at all hearings.

730 3. The City Attorney shall serve as legal advisor for the Authority and shall be
731 present at all hearings providing legal assistance to the Hearing Officer and the
732 City Manager.

733
734 (b) Powers of the Authority.

735
736 i. The Authority shall have and is vested with authority to grant or
737 to refuse a license application or renewal. ~~as well.~~ The
738 Authority may order special terms and conditions on licenses
739 in the event of an emergency or as temporarily required to
740 protect the public health, safety and wellbeing without the need
741 for a public hearing. Notice of such action and for a public
742 hearing before the Authority on the matter shall be provided to
743 the Licensee.

744 ~~ii.~~
745 iii. ~~ii.~~ The Authority shall have all the powers provided in this Chapter,
746 and as set forth in C.R.S. 44-10-301 et. seq. and the Colorado
747 Marijuana Rules, and the regulations promulgated thereunder.

748
749 iii. The Authority may promulgate such rules and regulations as
750 it deems necessary for the proper administration and
751 enforcement of this Chapter, provided that the same are not in
752 conflict with the Colorado Marijuana Code, Colorado
753 Constitution, and the Colorado Department of Revenue
754 Enforcement Rules.

755
756 iv. The Authority may exercise all other powers and duties as are set
757 forth in the Colorado Marijuana Code, the Colorado Constitution,
758 the Colorado Department of Revenue Marijuana Enforcement
759 Division Rules, the GJMC and any rule or regulation adopted
760 pursuant thereto.

761
762 v. Under any and all circumstances in which ~~Colorado state~~ law
763 requires communication to the City by the ~~S~~state licensing
764 authority or any other ~~S~~state agency in regard to any license
765 authorized by this Chapter, or in which ~~S~~state law requires any
766 review or approval by the City of any action taken by the ~~S~~state
767 licensing authority, the exclusive ~~government~~ department ~~in the~~
768 ~~City~~ for receiving such communications and granting such
769 approvals shall be the Authority.

770
771 (c) Action of the Authority.

1. The Authority may issue subpoenas to require the presence of persons and the production of papers, books and records necessary to the determination of any hearing the Authority is authorized to conduct.

2. The Authority, acting by and through the Hearing Officer, may suspend, or revoke licenses granted under this Chapter for good cause or as set forth in this Chapter or as applicable law may provide.

3. The Authority, acting by and through the Hearing Officer, may summarily suspend a license issued pursuant to this Chapter without notice pending any prosecution or public hearing for a period not to exceed 15 days when the Authority determines a Licensee or an agent or employee of the Licensee has violated the Colorado Marijuana Code, the Colorado Department of Revenue Enforcement Division Marijuana Rules, the Colorado Constitution, the City's Code, or any rule and regulation related to the storage, sale, distribution, transportation, testing, or consumption of any form of cannabis, or when the public health, safety or wellbeing imperatively requires emergency action, and incorporates such findings in the notice for a public hearing before the Authority on the matter.

(d)

Nothing in this Chapter shall be construed to limit a law enforcement agency's ability to investigate unlawful activity in relation to a License issued pursuant to this Code.

~~A Hearing Officer for the Authority shall be appointed by and serve at the pleasure of the City Council.~~

~~(b)(d) The Hearing Officer may be removed by the City Council for nonattendance to duty or for cause. If the Hearing Officer fails to attend three (3) consecutive meetings of the Authority, he/she shall be removed from the Hearing Officer position unless the City Council excuses any such absences.~~

~~(c)(e) Duties of the Hearing Officer. The Hearing Officer shall:~~

~~7. Conduct all hearings required under this Chapter, rules and regulations, and codes construing and implementing the same.~~

~~8. Conduct all hearings for initial licenses, renewal of licenses, for proposed changes of ownership of licenses and changes of the corporate structure of license, and for~~

~~proposed changes of location of licensed premises or
modification of premises.~~

~~9. Conduct all hearings brought under such codes when
violations of the codes or the regulations under the codes
have been alleged to have occurred and to impose
penalties against Licensees in the manner provided by
this Chapter on its own motion or on complaint by the
City Attorney for any violation by the Licensee after
investigation and public hearing at which the Licensee
shall be afforded an opportunity to be heard.~~

~~10. Promulgate rules and regulations concerning the
procedures for hearings before the Authority.~~

~~11. Require any Applicant or Licensee to furnish any relevant
information required by the Authority.~~

~~12. Grant or deny motions, make findings and orders,
administer oaths and issue subpoenas to require the
presence of persons and the production of papers, books
and records at any hearing which the Authority is
authorized to conduct.~~

(e) Authority Hearing procedures.

1. Hearings shall be scheduled as determined by the Authority and
generally with the same frequency as on the same calendar the Liquor and
Beer Licensing Authority or at special meetings as scheduled by the
Authority.

2. The Hearing Officer may establish such procedures and local rules to be
followed in actions before her/him. Such procedures shall include the
following:

i. Control the mode, manner and order of all proceedings and
hearings.

ii. The adoption of rules, procedures, and policies for its own proceedings
and for filing applications and requests.

iii. The adoption of application forms and submission requirements,
including a requirement that applications, complaints and other
documents be filed in a digital format approved by the Authority and

857 to refuse applications, complaints and other documents not filed in
858 the approved digital format.

859
860 **iv.** To perform any act that the Authority is authorized to perform by law.

861
862 **v.** To promulgate such rules and regulations deemed necessary to
863 properly administer and enforce this Chapter, and to exercise all other
864 powers and duties as set forth in this Chapter, as well as those set forth
865 in the Colorado Marijuana Code and Subsection 5(f) of Section 16 of
866 Article XVIII of the Colorado Constitution. The Authority shall provide all
867 proposed rules and subsequent changes thereto, to City Council for
868 approval by Resolution.

869
870 **vi.** Powers in the conduct of hearings. The Hearing Officer shall conduct
871 hearings under and in accordance with this Chapter, local rules and
872 procedures, and the Colorado Marijuana Code.

873
874 **vii.** Contempt. In the event that any person, in the immediate presence of the
875 Authority or within its sight or hearing, while the Authority is in session
876 during a hearing, commits a direct contempt of the Authority by speech,
877 gesture or conduct which disobeys a lawful order of the Authority, shows
878 gross disrespect to the Authority tending to bring the Authority into public
879 ridicule, or substantially interferes with the Authority's proceedings, the
880 Authority may hold such person in contempt. Contemptuous conduct by any
881 principal, registered manager or employee shall be imputed to the Licensee.
882 The Authority may impose the following sanctions for contempt:

- 883
884 1. Removal of the person committing the contempt from the
885 proceedings, the hearing room and its environs;
886
887 2. Public censure, which shall be made a matter of the
888 Licensee's record and may be used as an aggravating factor
889 in determining any fine, suspension, revocation or renewal;
890
891 3. A prohibition against the individual or the Licensee
892 introducing into the record testimony, documents, exhibits
893 or other evidence;
894
895 4. An order striking, disregarding and refusing to consider
896 pleadings, applications, documents, objections, testimony,
897 exhibits or other evidence or arguments already introduced
898 by such person;
899

- 900 5. A fine, enforced by suspension of the License until the fine
901 is paid;
902
- 903 6. Default of any motion, compliant or other action then
904 pending against the Licensee; and/or
905
- 906 7. Denial of any application by the Licensee then pending
907 before the Authority.
908

909 viii. Determinations with respect to hearings.
910

- 911 1. The Hearing Officer shall make his/her determination after
912 hearings in accordance with this Code, the Colorado
913 Marijuana Code and established legal principles. The
914 decision of the Hearing Officer shall be final, and appeal from
915 that decision shall be to the District Court of the 21st Judicial
916 District.
917

- 918 2. Actions taken by the Authority are subject to review by the
919 courts pursuant to Rule 106(a)(4) of the Colorado Rules of
920 Civil Procedure. Any person applying to the Court for review
921 shall be required to pay the cost of preparing a transcript of
922 proceedings before the Authority whenever such a transcript
923 is necessary for purposes of an appeal.
924

925 3. Appeals of Hearing Officer Decision(s). If the Authority imposes a condition on
926 the license and/or suspends or revokes a license or imposes a fine, the Licensee
927 may appeal the Authority's order to the Mesa County District Court of the 21st
928 Judicial District pursuant to Rule 106(a)(4) of the Colorado Rules of Civil
929 Procedure. The Licensee's failure to timely appeal any the decision/order of the
930 Authority is a waiver of the Licensee's right to contest the decision/order. fine
931 imposed or the suspension or revocation of the License. Any person applying to
932 the court for review shall be required to pay the cost of preparing a transcript of
933 proceedings before the Authority whenever such a transcript is necessary for the
934 purposes of the appeal.
935

936 5.13.016 City Manager; Powers and Duties – Licensing.
937

- 938 (a) The City Manager shall serve as the secretary of the Authority and shall
939 provide or cause to be provided the necessary administrative and reporting
940 services for the Authority. The City Manager and City Attorney shall attend
941 all meetings of the Authority. All public notices required by this Chapter and

by C.R.S. 44-10-101, et seq., and the Colorado Marijuana Rules, as amended, and the regulations promulgated thereunder, shall be accomplished by the City Manager.

(b) ~~The City Manager shall receive all applications for licenses and permits and, upon receipt of full payment of fees as are required by state law and by this Chapter, and satisfaction of the preconditions of the licensure, shall issue all licenses.~~

5.13.0167 Application process/requirements.

(a) Applications. All applications for any license authorized by this Chapter shall be submitted to the City Manager upon forms provided by the Authority and shall include supplemental materials as required by this Chapter, the Colorado Marijuana Code, and any rules and regulations adopted pursuant thereto. To the extent any of the foregoing materials have been included with the Applicant's state license application and forwarded to the City by the ~~S~~state, the Authority may rely upon the information forwarded by Applicants without requiring resubmittal of the same materials in conjunction with the local license application.

(b) The Authority may, at the Authority's discretion, require additional information and/or documentation for the consideration of the application as it may deem necessary to enforce the requirements of the Colorado Marijuana Code and this Chapter.

(c) The general procedures and requirements of licenses, as more fully set forth in Chapter 5.04 of the Grand Junction Municipal Code, shall apply to regulated cannabis business licenses. To the extent of conflict between the provisions of this Chapter and Chapter 5.04, the provisions of this Chapter shall control for regulated cannabis licenses.

(d) Initial Application.

1. Complete Application. The City Manager shall receive all Applications for a ~~L~~icense authorized by this Chapter. The City Manager will review and, if demonstrated from the Application, find an Application to be complete if the Applicant, on forms provided by the City, ~~provides: (a) materials provides materials~~ and information demonstrating that all requirements for licensure can or will be met by the Applicant at the time of licensure, as provided in this section and in section § 05.13.0245 of this Code.

2. No person or entity, to include an affiliate(s)/affiliated entity, shall apply for more than one license for any location in the City, unless applying for a co-located (medical and retail) licensure.

3. 5.-The Applicant provides an application for only one license at one location for each class of cannabis business license authorized by this Chapter. A co-located medical and retail cannabis business location shall be deemed one license. A location for a license shall be established and determined by lawful street addressing. A unit(s) in a building that is not separately, legally created and addressed is(are) not a separate location(s). -located regulated and medical cannabis business.

4. The Applicant has registered with the Authority the name(s) of the manager(s) of the cannabis business, and has provided to the Authority the names of all persons having 10% financial and/or ownership interest, in the cannabis business that is subject of the Application or, if the Applicant is an Entity, having a financial interest in the Entity together with the following:

i. Name, address, date of birth;

ii. Acknowledgment and consent that the City may conduct a background investigation, including a criminal history check, and the City will be entitled to full and complete disclosure of all financial records of the regulated cannabis business and of any or all financial interests thereof, including records of deposit, withdrawals, balances and loans;

iii. If the Applicant is an Entity, information regarding the Entity, including without limitation, the name and address of the Entity, its legal status, and proof of registration with, or a certificate of good standing from, the Colorado Secretary of State, as applicable;

iv. If the Applicant is not the owner of the proposed licensed premises, a notarized statement from the owner of such property authorizing the use of the property for a cannabis business and specifying the type of regulated cannabis business(es) permitted;

v. A copy of the deed reflecting the Applicant's ownership of, or the lease or contract reflecting the legal right of the Applicant to possess the proposed licensed premises for no less than three years;

Commented [JS6]: Need to have discussion regarding 10%

1021
1022 5. The Applicant must disclose in writing any financial interests,
1023 including individuals and/or entities.
1024

1025 6. The Applicant must disclose in writing if the named owner(s),
1026 member(s), manager(s), Financer(s), agent(s), or person(s) named on the
1027 Application has(have) been:
1028

1029 i. Denied an application for a cannabis business license pursuant
1030 to this Chapter, or any state or local licensing law, rule, or
1031 regulation, or had such a license suspended or revoked.
1032

1033 ii. Denied an application for liquor license pursuant to Title 44,
1034 Article 47 or Article 46, C.R.S. or any similar state or local
1035 licensing law, or had such a license suspended or revoked.
1036

1037 1. In the event an owner, member, agent,
1038 manager, financier, or other person named
1039 on the Application contains information
1040 regarding violations of any law or previous
1041 denial or revocation of a license, that person
1042 must include with the Application any
1043 information regarding such violation(s),
1044 denial, or revocation. Such information must
1045 include, but is not limited to, a statement of
1046 the violation(s) and penalty(ies) for such
1047 violation(s), evidence of rehabilitation,
1048 character references, and educational
1049 achievements, and other regulatory licenses
1050 held without compliance violations,
1051 especially those items pertaining to the
1052 period of time between the Applicant's last
1053 violation of any law and the date of the
1054 application.
1055

1056 2. The City may, prior to issuance of the
1057 certificate of occupancy for the cannabis
1058 business, perform an inspection of the
1059 proposed licensed premises to determine
1060 compliance with any applicable
1061 requirements of this Chapter or other
1062 provisions of this Code, the International
1063 Fire Code or the International Building Code.

1064
1065 7. The Applicant must provide affirmation in writing **that** the Applicant
1066 officers, directors, other owners, any person having a direct or indirect
1067 financial interest in the business, and agents or employees of the
1068 Applicant are of Good Moral Character considering the factors in the
1069 Colorado Marijuana Code, this Chapter, and rules and regulations
1070 adopted pursuant thereto. in C.R.S. § 24-5-101(2); have no felony
1071 convictions in the last five years, no drug related local ordinance, petty
1072 offense or misdemeanor convictions in the last five years, and no drug
1073 related felony convictions.

1074 814. The Applicant must provides affirmation in writing that, the
1075 Applicant's principal officers, directors, members, or owners who now,
1076 or at any time in the past, have had 10% or more ownership in any
1077 cannabis business have not had, or the business has not had, a cannabis
1078 license suspended or revoked by the State of Colorado or any other
1079 state, or any other jurisdiction's local authority or other controlling
1080 authority;

Commented [JS7]: Need to have discussion regarding
10%

1081 9. The Applicant must submit a *Findings of Suitability application form*.

1082 10. The Applicant must provide written proof of a binding quote for
1083 insurance as provided by § 5.13.030 of this Chapter;

1084 11. The Applicant shall provide a written zoning and buffering verification
1085 from Community Development Department Director that states the
1086 location proposed for licensing complies with any and all zoning and land
1087 use laws of the City, and any and all restrictions on location set forth in
1088 this Code. If the Director makes a determination that the proposed license
1089 location would be in violation of any zoning law or other restriction on
1090 location set forth in the GJMC and/or any Administrative Regulation(s)
1091 construing the same, then the Director shall, no later than 10 working
1092 days from the date the Applicant requested the zoning and buffering
1093 verification, notify the Applicant in writing that the proposed license
1094 location cannot be verified to be in compliance. As provided by the
1095 GJMC, the Applicant may appeal the Directors decision.

1096 12. The Applicant must provide a written operating plan that includes, but
1097 is not limited to, the items in § 5.13.036.

1098 13. The Applicant must provide a written security plan indicating how the
1099 Applicant will comply with the requirements set forth in the Colorado
1100 Marijuana Code, this Chapter, and any other applicable law, rule, or
1101 regulations pursuant thereto. If drive thru cannabis service is
1102 contemplated, a description of security measures to prevent and address
1103 diversion of cannabis to youth and potential criminal behavior and is

required a zoning/land use permit. The security plan includes specialized details of security arrangements and will be protected from disclosure as provided under the Colorado Open Records Act § 24-72-203(2)(a)(VIII), C.R.S. If the City finds that such documents are subject to inspection, it will provide notice to the Applicant as provided by the Colorado Open Records Act.

14. The Applicant must provide a written plan for preventing underage persons from entering the premises.

15. The Applicant must provide a written plan for disposal of any regulated cannabis that is not sold in a manner that protects any portion thereof from being possessed or ingested by any person or animal.

16. The Applicant must provide a written plan for ventilation of the regulated cannabis business that describes the ventilation systems that will be used to prevent unreasonable odor of cannabis off the premises of the business;

17. The Applicant must provide any supplemental materials required to be provided by the State in order to receive a State-issued cannabis business license pursuant to the Colorado Marijuana Code and rules adopted pursuant thereto.

18. The Applicant must provide any supplemental materials to comply with City laws and any additional information that the Authority reasonably determines to be necessary in connection with the investigation and review of the Application.

~~3. The Applicant shall provide a zoning and buffering verification from Community Development Department Director that states the location proposed for licensing complies with any and all zoning and land use laws of the City, and any and all restrictions on location set forth in this Code. If the Director makes a determination that the proposed license location would be in violation of any zoning law or other restriction on location set forth in the GJMC and/or any Administrative Regulation(s) construing the same, then the Director shall, no later than 20 days from the date the Applicant requested the zoning and buffering verification, notify the Applicant in writing that the proposed license location cannot be verified to be in compliance. As provided by the GJMC, the Applicant may appeal the Directors decision.~~4.

4.

~~The Applicant shall provide affirmation in in writing that the Applicant, the Licensee, the officers, directors, owners, agents, employees or any person having a direct or indirect financial interest of 10% in the business are of good moral character in accordance with the standards and procedures set forth in the Colorado Marijuana Code, this Chapter and the rules and regulations adopted pursuant thereto.~~

~~5. The Applicant provides an application for only one license at one location for each class of cannabis business license authorized by this Chapter. A co-located medical and retail cannabis business location shall be deemed one license. A location for a license shall be established and determined by lawful street addressing. A unit(s) in a building that is not separately, legally created and addressed is(are) not a separate location(s) located regulated and medical cannabis business.~~

196. The Applicant shall provide affirmation in writing that it has and will satisfy and continuously meet, if a license is awarded, all the terms, conditions, provisions, and requirements imposed upon the Applicant or the Licensee by the applicable provisions of the Colorado Marijuana Code, the City's Code, and all the rules and regulations adopted pursuant thereto, and all applicable building, fire, health or zoning, codes, ordinances, rules or regulations adopted pursuant thereto related to the cultivation, processing, manufacture, storage, sale, distribution, testing, research, transporting, or consumption of any form of cannabis.

207. The Applicant shall provide affirmation in writing the license application contains no fraudulent, misrepresented, or false statements of a material or relevant fact.

218. The Applicant shall pay all applicable application and licensing fees.

229. The Applicant provides affirmation in writing that it or the Licensee is not overdue on his/her/its payment of any taxes, fines, interest, penalties or collection costs assessed against or imposed upon such Applicant in any business matters, affairs or dealings of the Applicant in any state, county, municipality on which the Applicant conducts business.

~~2210. The Applicant provides affirmation in writing the Applicant officers, directors, other owners, any person having a direct or indirect financial interest in the business, and agents or employees of the Applicant are of Good Moral Character considering the factors in C.R.S. § 24-5-101(2); have no felony convictions in the last five years, no drug-related local~~

~~ordinance, petty offense or misdemeanor convictions in the last five years, and no drug-related felony convictions.~~

~~11. The Applicant provides affirmation in writing, the Applicant's principal officers, directors, members, or owners who now, or at any time in the past, have had 10% or more ownership in any cannabis business have not had, or the business has not had, a cannabis license suspended or revoked by the State of Colorado or any other state, or any other jurisdiction's local authority or other controlling authority;~~

2312. The Applicant provides affirmation in writing that the Applicant will, if selected for licensure, make all the improvements to the licensed premises as required by the GJMC or will have a plan and timeline to improve the proposed license location so that the cannabis business operations shall begin within six months of the issuance of the License.

2413. The Applicant affirms in writing, the Applicant is not a sheriff, deputy, police officer, prosecuting officer, or an officer or employee of the state; and,

2514. The Applicant affirms in writing, the Applicant is not a person whose authority to be a primary caregiver as defined in § 25-1.5-106(2), C.R.S., has been revoked by the state health agency.

(e) Incomplete Application. Upon review of an application, the City Manager shall provide a notice of initial determination to the Applicant in writing as to whether the Applicant's application is complete. ~~If such application is incomplete or if such proposed licensed premises violates City laws, the City Clerk shall provide to the Applicant twenty days to cure the application or violation before notifying the State that the application is disapproved by the City.~~

(f) Denial of initial application. The City Manager may deny any application that does not meet the requirements of this Chapter, the Colorado Marijuana Code, or any other applicable state or City law or regulation. In addition to prohibitions on persons as licensees found in the Colorado Marijuana Code, should the Applicant ~~fail be unable to affirm~~ **and information or representation(s) as required by 5.13.016(d)**, or the City discovers evidence that any affirmation was contrary, false, misleading or incomplete, ~~such~~ shall constitute full and adequate grounds for denial of any application.

1. Notice of denial. If, after investigation and discovery, the City Manager determines that the application will be denied, the City Manager shall:

- 1217 a. Provide notice in writing to the Applicant that
1218 the Application is denied and reasons for the
1219 denial;
1220 b. Notify the State in writing of the City Manager's
1221 decision to deny the application.
1222

1223 **2.** Appeal of denial. An Applicant may appeal the City Manager's
1224 decision of denial by submitting a written request on a form provided
1225 by the City, on a form provided by the City, received by the City
1226 Manager within 20 days of the date on the written notice of denial.
1227 The appeal request shall include any legal and factual support for the
1228 appeal. An appeal hearing will be set before the Hearing Officer for a
1229 written appeal. The Hearing Officer shall only review and consider
1230 those issues specifically addressed in the written appeal.
1231

1232 **5.13.0178** Randomized selection process.

1233 (a) All applications that are confirmed to be complete and in accordance with
1234 all applicable laws and regulations by the Hearing Officer shall enter the
1235 randomized selection process if there are more such applications than
1236 available licenses. In the event the number of confirmed applications is
1237 the same or fewer than the number of available license(s), the randomized
1238 selection process will not occur.

1239 (b) The random selection drawing from of all qualified applications will be
1240 held by the Authority at City Hall, 250 N. 5th Street, Grand Junction, CO
1241 81501. The random selection drawing will ~~will not~~ be conducted publicly.
1242 ~~open to be viewed by the public.~~ Entrants need not be present at the
1243 selection.

1244 (c) All qualified applicants will be placed within the selection container and
1245 randomly selected and assigned a number in the order they are drawn
1246 from first to last. selection.

1247 (d) Following the assignment of Once all of the applicants are assigned a
1248 random number, the numbers are placed back in the selection container
1249 and ten numbers will be randomly selected and such Applicants will have
1250 an opportunity to be issued a cannabis business license. The Authority
1251 will notify those selected in writing within seven (7) days of selection by
1252 United States mail return receipt requested RRR email/mail at the address
1253 s-set forth in the application.

1254 (e) Those first-entrant selected shall have the opportunity to operate a
1255 regulated cannabis business at the location specific to its Application

and so long as it commences operations as within the time specified in Section §5.13.017(d)(12). If any of the Applicant(s) selected at the random selection drawing does not commence begin operations of the business, then within the specified time, another random selection process will occur in the same format as provided by this Code. indicated above. However, the Authority may, with reasonable justification, as determined solely within the Authority's discretion, grant an Applicant one extension not to exceed 90 days for the operation of the regulated cannabis business.

(f) If less than ten Applicants are eligible to be randomly selected for issuance of a cannabis business license then no randomized selection process shall occur.

(h) In no event may shall a qualified Applicant sell its drawing entrant, an entrant's position in the randomized selection process, nor may an selected Applicant selected for licensure, be allowed to sell, transfer or otherwise assign its their position/license to any other person or entity. (See, §§5.13.029 and 030)

5.13.019 Reserved.

5.13.01820 Investigation and fingerprinting of Applicant.

Prior to the acceptance of applications for a License, transfer of ownership, change of corporate structure, or other permit as provided in this Chapter, the Colorado Marijuana Code and the Colorado Marijuana Rules, the following individuals shall provide verified fingerprint information to the Grand Junction Police Department:

- (a) If the Applicant is a natural person, that person;
- (b) If the Applicant is a partnership, all of the partners; and
- (c) If the Applicant is a corporation, both the officers and directors, together with any person owning more than 10% of the stock thereof.

Commented [JS8]: Need to have discussion regarding 10%

5.13.01924 Duty to supplement.

- (a) If, at any time before or after a license is issued pursuant to this Chapter, any information required by the Colorado Marijuana Code, or any rule and regulation adopted pursuant thereto, changes from that which is stated in the application, the Applicant or Licensee shall supplement its application with the updated information within ten days from the date upon which such change occurs.

(b) An Applicant or Licensee has a duty to notify the Authority of any pending criminal charge(s) and any criminal conviction(s) by the Applicant, Licensee, any owner, officer, director, manager, agent or employee of the Applicant or Licensee within ten days of the event.

(c) An Applicant or Licensee has a duty to notify the Authority of any pending violation of, and any conviction for, a violation of any building, fire, health or zoning statute, code or ordinance related to the cultivation, processing, manufacture, transportation, storage, sale, distribution, testing, research, or consumption of any form of cannabis by the Applicant, Licensee, any owner, officer, director, manager, agent or employee of the Applicant or Licensee within ten days of the event.

5.13.0203 Number of licenses.

(a) No more than ten regulated ~~ory~~ cannabis business licenses, excluding any cannabis testing facilities and any medical cannabis business license(s) ~~that are~~ co-located with a Retail Cannabis business license, shall be issued.

(b) Included within the ~~10 license numerical~~ limit referenced above in (a), no more than two cannabis business licenses may be issued in the Horizon Drive Association Business Improvement District, which is described as all commercial property bounded on the south by G Road, north on Horizon Drive through and including H Road, bounded on the west by 27 Road/15th Street, and on the east by 27 ½ Road northeast to Walker Field Airport Authority. The boundaries of the Horizon Drive Association District include, but are not limited to, Horizon Court, Compass Drive Association, Crossroads Boulevard, Crossroads Court, Skyline Court, Sundstrand Way and Hilaria Avenue, as otherwise amended.

5.13.0214 Classes of licenses authorized.

For the purpose of regulating testing, distribution, offering for sale and sale of cannabis, the Licensing Authority, in its sole discretion, may issue and grant to the Applicant a local license from any of the following classes, and the City hereby authorizes issuance of the licenses of the following classes by the state licensing authority in locations in the City, subject to the provisions in this Chapter:

Retail Cannabis Store

Co-located Medical Cannabis Store

Retail Cannabis Testing Facility

Medical Cannabis Testing Facility(ies) Facilities

5.13.0225 Requirements of Issuance of a License.

Commented [JS9]: Will work with prohibited list in 5.13.032

1328 The Authority shall not issue a cannabis business license except when each of the
1329 following requirements have been met:

1330 (a) The City Manager approved the Applicant's initial application; and,
1331 (b) The Hearing Officer ~~finds in writing~~ ~~ound~~ the ~~approved~~ initial application to
1332 be complete, and after a public hearing refers ~~red~~ the initial application to
1333 the randomized selection process for possible selection for licensure for a
1334 license authorized by this Chapter;

1335 (c) If there ~~is to be~~ ~~was~~ a randomized selection process, the initial Application
1336 was selected for licensure in that process; and,

1337 (d) The Applicant submitted all documents to the Authority that it provided to
1338 the State for cannabis business licensure; and,

1339 ~~(e) The Applicant submitted Findings of Suitability application; and,~~

1340 ~~(ef) At the time of issuance of a License, the Applicant has paid all fees and has~~
1341 ~~or will have commence operation within 6 months of selection in the random~~
1342 ~~selection process; of licensure a certificate of occupancy;~~

1343 ~~1. -The Hearing Officer may extend the period for the Applicant to~~
1344 ~~commence operation for a period of up to 18 months and not to exceed~~
1345 ~~24 months from the date of selection in the random selection process.~~
1346 ~~1. the 180 day period if the Applicant can demonstrate that they have been~~
1347 ~~making diligent effort to meet the deadline, but due to unforeseen~~
1348 ~~circumstances outside of their control, such as material shortages or~~
1349 ~~production delays, has not been able to do so.~~

1350 ~~(fg) The Applicant and the Applicant's owner(s) and financier(s) are in~~
1351 ~~compliance with all federal, state and local tax laws; and,~~

1352 ~~(h) The Applicant has registered with the Authority the name(s) of the~~
1353 ~~manager(s) of the cannabis business, and has provided to the Authority the~~
1354 ~~names of all persons having 10% financial and/or ownership interest, in the~~
1355 ~~cannabis business that is subject of the Application or, if the Applicant is~~
1356 ~~an Entity, having a financial interest in the Entity together with the following:~~

1357 ~~Name, address, date of birth;~~

1358
1359 ~~Acknowledgment and consent that the City may conduct a background~~
1360 ~~investigation, including a criminal history check, and the City will be entitled~~
1361 ~~to full and complete disclosure of all financial records of the regulated~~
1362 ~~cannabis business and of any or all financial interests thereof, including~~
1363 ~~records of deposit, withdrawals, balances and loans;~~

Commented [JS10]: Should this reference be license or occupancy?

1364
1365 ~~If the Applicant is an Entity, information regarding the Entity, including without~~
1366 ~~limitation, the name and address of the Entity, its legal status, and proof of~~
1367 ~~registration with, or a certificate of good standing from, the Colorado~~
1368 ~~Secretary of State, as applicable;~~

1369
1370 ~~If the Applicant is not the owner of the proposed licensed premises, a notarized~~
1371 ~~statement from the owner of such property authorizing the use of the~~
1372 ~~property for a cannabis business and specifying the type of regulated~~
1373 ~~cannabis business(es) permitted;~~

1374
1375 ~~A copy of the deed reflecting the Applicant's ownership of, or the lease or~~
1376 ~~contract reflecting the legal right of the Applicant to possess the proposed~~
1377 ~~licensed premises for no less than four years;~~

1378
1379 ~~Evidence of a valid City and state sales tax license for the business;~~

1380
1381 ~~Proof of insurance as provided by § 5.13.035 of this Chapter;~~

1382
1383 ~~A zoning and buffering verification as described by this Chapter;~~

1384
1385 ~~An operating plan;~~

1386
1387 ~~A security plan indicating how the Applicant will comply with the requirements~~
1388 ~~set forth in the Colorado Marijuana Code, this Chapter, and any other~~
1389 ~~applicable law, rule, or regulations pursuant thereto. The security plan~~
1390 ~~includes specialized details of security arrangements and will be protected~~
1391 ~~from disclosure as provided under the Colorado Open Records Act § 24-72-~~
1392 ~~203(2)(a)(VIII), C.R.S. If the City finds that such documents are subject to~~
1393 ~~inspection, it will provide notice to the Applicant as provided by the~~
1394 ~~Colorado Open Records Act.~~

1395
1396 ~~A plan for preventing underage persons from entering the premises.~~
1397

~~If drive thru cannabis service is contemplated, a description of security measures to prevent and address diversion of cannabis to youth and potential criminal behavior and is required a zoning/land use permit. See 5.13.038.~~

~~A plan for disposal of any regulated cannabis that is not sold in a manner that protects any portion thereof from being possessed or ingested by any person or animal.~~

~~A plan for ventilation of the regulated cannabis business that describes the ventilation systems that will be used to prevent unreasonable odor of cannabis off the premises of the business;~~

~~Disclosure of the Applicant's financial interests, including individuals and/or entities.~~

~~(g) A Licensee shall report each and every change of financial interest in the License and/or the Licensee to the Authority prior to any such change pursuant to and in accordance with the provisions of law and the Colorado Marijuana Rules. A report shall be required for transfers of capital stock of any corporation regardless the size, for transfers of member interests of any limited liability company regardless of the size, and for any transfer of an interest in a partnership or other entity or association regardless of size;~~

~~1. Any supplemental materials required to be provided by the State in order to receive a State-issued cannabis business license pursuant to the Colorado Marijuana Code and rules adopted pursuant thereto; and,~~

~~2. Any supplemental materials to comply with City laws and any additional information that the Authority reasonably determines to be necessary in connection with the investigation and review of the Application.~~

~~(i) A written statement disclosing if the named owner(s), member(s), manager(s), Financer(s), agent(s), or person(s) named on the Application has(have) been:~~

1436 1. ~~Denied an application for a cannabis business license pursuant to this~~
1437 ~~Chapter, or any state or local licensing law, rule, or regulation, or had~~
1438 ~~such a license suspended or revoked.~~

1439
1440 2. ~~Denied an application for liquor license pursuant to Title 44, Article 47 or~~
1441 ~~Article 46, C.R.S. or any similar state or local licensing law, or had such a~~
1442 ~~license suspended or revoked.~~

1443
1444 ~~In the event an owner, member, agent, manager, financier, or other person~~
1445 ~~named on the Application contains information regarding violations of~~
1446 ~~any law or previous denial or revocation of a license, that person must~~
1447 ~~include with the Application any information regarding such violation(s),~~
1448 ~~denial, or revocation. Such information must include, but is not limited~~
1449 ~~to, a statement of the violation(s) and penalty(ies) for such violation(s),~~
1450 ~~evidence of rehabilitation, character references, and educational~~
1451 ~~achievements, and other regulatory licenses held without compliance~~
1452 ~~violations, especially those items pertaining to the period of time between~~
1453 ~~the Applicant's last violation of any law and the date of the application.~~

1454
1455 ~~The City may, prior to issuance of the certificate of occupancy for the~~
1456 ~~cannabis business, perform an inspection of the proposed licensed~~
1457 ~~premises to determine compliance with any applicable requirements of~~
1458 ~~this Chapter or other provisions of this Code, the International Fire Code~~
1459 ~~or the International Building Code.~~

1460
1461 **5.13.0236 Fees.**

1462 (a) A nonrefundable Application Fee shall be paid to the state upon
1463 application to the state for a cannabis business license.

1464 (b) The Application and License Fees shall be paid to the City at the time of
1465 application for a cannabis business license. ~~At the discretion of the City,~~
1466 ~~a portion of the license fee may be refunded if an application is withdrawn~~
1467 ~~by the Applicant, denied by the City Manager or Hearing Officer, or the~~
1468 ~~Applicant is not selected in the randomized selection process for~~
1469 ~~issuance of a cannabis business license. The License Fee may be~~
1470 ~~refunded if an application is withdrawn by the Applicant, denied by the~~
1471 ~~City Manager or Hearing Officer, or the Applicant is not selected in the~~
1472 ~~randomized selection process. -for issuance of a cannabis license. A~~
1473 ~~request for a refund must be made in writing by the Applicant to the City~~
1474 ~~Manager within 30 days of the date of the withdrawal, denial of the~~
1475 ~~application or failure of the license to be selected in the randomized~~

Commented [JS11]: ? Some? All? If some, how much?

selection process for issuance of a cannabis business license. The Application Fee is nonrefundable.

(c) Renewal, change of location, inspection and all other fees may be imposed as necessary for the administration, regulation and implementation of this Code shall be set by City Council resolution.

(d) License and application fees shall be set City Council resolution, and, as deemed necessary, adjusted to reflect the direct and indirect costs incurred by the City in connection with the adoption, administration, and enforcement of this Code.

(e) In addition to fees and any other monetary remedy provided by this Code, the City shall have the right to recover all sums due and owing hereunder by any civil remedy available at law.

5.13.0248 No vested rights; commencement of operations.

(a) Notwithstanding anything contained in this Chapter, an application initially approved for consideration of licensure and found to be complete by the Hearing Officer, or in the event a license is issued, creates no vested right(s) to the License or the renewal of a License, and no property right in the License or the renewal of a License is created.

~~(b) (b)~~ In the event that a cannabis business does not commence operations within 6 months 180 days of selection through the randomized selection process, issuance of a certificate of occupancy for the regulated cannabis business from the City, the license shall be deemed forfeited and the business may not commence operation, unless the Authority has granted an extension of 18 months, which extension shall in no event not to exceed 24 months from the date of selection in the randomized selection process.

(c) It shall be unlawful for the owner of a building to allow the use of any portion of the building by a cannabis business unless the tenant has a valid regulated cannabis business license or has applied for one and been awarded a regulated cannabis business license or no cannabis is located on the premises until a license has been issued by the City. In the event that the City has an articulable reason to believe that a regulated cannabis business is being operated in a building, it shall be unlawful for the owner of the building to refuse to allow the City access

to the portion of the building in which the suspected cannabis business is located to determine whether any cannabis is on the premises.

5.13.0295 Transfer.

(a) A cannabis business license is not transferrable or assignable, in whole or in part, including, without limitation, to a different premise or to a different type of business. A regulated cannabis business license is valid only for the owner named thereon, the type of business disclosed on the application for the License(s), and the location for which the license is issued. The Licensee(s) of a regulated cannabis business are only those persons disclosed in the Application or subsequently disclosed to the City in accordance with this Chapter.

(b) Transfer of ownership of any interest of the Licensee may not occur within three years of issuance of the license by the City unless by Court order or or other operation of law such as probate or lawful seizure/dispossession.

(c) Transfer of ownership of any regulated cannabis business license issued pursuant to this Chapter shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any regulations adopted pursuant thereto and the Authority shall administer transfers of local licenses in the same manner as the state licensing authority administers transfers of state licenses. The public hearing requirement set forth in § 5.13.02734 of this Chapter shall apply to all applications for transfer of ownership of any regulated cannabis license.

(d) In determining whether to permit a transfer of ownership, the Authority may consider the requirements of law and the Colorado Marijuana Rules. No application for transfer of ownership will be considered by the Authority if, at the time of such application, the Licensee is under a notice of violation or other unlawful acts issued by either the Authority or the state licensing authority.

(e) The submission or pendency of an application for transfer of ownership does not relieve the Licensee from the obligation to properly apply to renew such License.

(f) No owner may apply for a transfer of ownership of any regulated cannabis business license issued pursuant to this Chapter if the transferee is an owner of or an affiliate of any other business entity holding another regulated cannabis license in the City.

5.13.02630 Change in corporate structure.

1552 (a) A change of corporate structure of any regulated cannabis business that
1553 results in any of the change(s) in subsections 1 through 3 below shall
1554 require the filing of an application and payment of the requisite fees and
1555 shall be subject to all requirements of the licensing process. A change of
1556 corporate structure shall be heard and approved or denied by the Authority.

1557 1. Any transfer or assignment of ten percent or more of the capital
1558 stock of any corporation, or transfer of ten percent or more of the
1559 ownership interests of any limited partnership interest in any year,
1560 or transfer of any liability company interest in a limited liability
1561 company of any kind, joint venture or business entity that results in
1562 any individual owning more than ten percent of ownership interest
1563 in the business entity if that individual's ownership interest did not
1564 exceed ten percent prior to transfer. controlling interest regardless
1565 of size.

1566 2. Any change of officer or directors of a corporation that involves the
1567 addition or substitution of individual(s) who was not previously an
1568 officer or director of the corporation during a period of time that the
1569 corporation held the license.

1570 3. ~~Any transfer of the capital stock of any corporation, or transfer of~~
1571 ~~any limited partnership interest in any general partnership of a~~
1572 ~~limited partnership, or transfer of any limited liability company~~
1573 ~~interest in a limited liability company of any kind, joint venture or~~
1574 ~~business entity that results in any individual owning more than ten~~
1575 ~~percent of an ownership interest in the business entity if that~~
1576 ~~individual's ownership interest did not exceed ten percent prior to~~
1577 ~~the transfer.~~

1578 (b) A change of corporate structure that results in any transfer or assignment
1579 of less than ten percent of the capital stock of any corporation or less than ten
1580 percent of the ownership interests of any limited partnership interest in any
1581 year to a person who currently has an interest in the business, and that does
1582 not result in a change of controlling interest, shall not require an application
1583 for change of corporate structure.

1584 (c) No application for transfer of ownership or change in corporate structure
1585 may be approved by the Authority until all City and state occupational taxes,
1586 City and state sales and use taxes, excise taxes, any fines, penalties, and
1587 interest assessed against or imposed upon such Licensee in relation to
1588 operation of the licensed business are paid in full.

1589 (d) A Licensee shall report each and every change of financial interest in the
1590 license and/or the Licensee to the Authority prior to any such change pursuant
1591 to and in accordance with the provisions of law and the Colorado Marijuana

Rules. A report shall be required for transfers of capital stock of any corporation regardless the size, for transfers of member interests of any limited liability company regardless of the size, and for any transfer of an interest in a partnership or other entity or association regardless of size.

(e) No owner may apply for a change in corporate structure of any regulated cannabis business licensed entity issued pursuant to this Chapter if the change adds any person or entity as an owner, officer or member of the corporation or entity as an affiliate of any other business entity holding another regulated cannabis license in the City.

5.13.02734 Public Hearing and Notice Requirements.

(a) The public hearing procedure shall apply to any Application that has been first approved by the City Manager for any regulated cannabis business and to any application for licensing renewal if the renewal application is referred to the Licensing Authority by the City Manager pursuant to § 5.13.03545 of this Chapter.

(b) Public notice of the application shall be given as follows or as more particularly required by C.R.S. 44-10-303 as applicable:

1. Posting a sign by the applicant on the premises for which an application has been made, not less than 14 days prior to the public hearing, stating the date of the application, the date of the hearing, the name and address of the applicant and such information as may be required to fully apprise the public of the nature of the application. The City Clerk shall provide the sign to the applicant for posting. If the building in which the regulated cannabis business is to be located is in existence at the time of the application, any sign posted shall be placed so as to be conspicuous and plainly visible to the general public.

2. Publication of notice by the City Manager not less than 14 days prior to the public hearing, in the same manner as the City posts notice of other public hearing matters.

(c) Any decision of the Authority, acting by and through the Hearing Officer, Authority approving or denying an application shall be in writing stating the reasons therefor and ~~the City Manager shall send~~ a copy of such decision shall be mailed by certified mail to the Applicant at the address shown in the Application and to the State licensing authority.

5.13.032 Licenses and permits prohibited.

~~The following regulated cannabis licenses and permits, as defined in C.R.S. 44-10-103 as amended, shall be prohibited in the City:~~

Commented [LB12]: Do we also need to refer to CRS 44-10-303 regarding public hearing notice for medical licenses?

1632 ~~(a) Cannabis Products Manufacturing and Cultivation Licenses,~~

1633
1634 ~~(b) Cannabis Hospitality and Sales Licenses,~~

1635
1636 ~~(c) Cannabis Transporter Licenses,~~

1637
1638 ~~(d) Cannabis Business Operator Licenses,~~

1639
1640 ~~(e) Cannabis Cultivator Licenses,~~

1641
1642 ~~(f) Cannabis Accelerator Licenses.~~

1643
1644 **5.13.02833 Persons prohibited as Licensees.**

1645 **(a) No license shall be issued to, held by or renewed by any of the following:**

- 1646 1. Any person until the annual fee for the license has been paid;
- 1647 2. Any natural person who is not of good moral character;
- 1648 3. Any entity of whose officers, directors, stockholders, or managing
- 1649 members are not of good moral character;
- 1650 4. Any person employing, assisted by, or financed in whole or in part
- 1651 by any other person who is not of good moral character;
- 1652 5. Any natural person who has been released within five years
- 1653 immediately preceding the application from any form of
- 1654 incarceration or court-ordered supervision, including a deferred
- 1655 sentence, resulting from a conviction of any felony or any crime
- 1656 under the laws of the State would be a felony; or any crime of which
- 1657 fraud or intent to defraud element, whether in the State or
- 1658 elsewhere; or any felonious crime of violence, whether in the State
- 1659 or elsewhere;
- 1660 6. Any person with ten percent (10%) or greater financial interest in
- 1661 the entity that has been convicted of any of the offenses set forth
- 1662 in (1) above;
- 1663 7. Any Applicant who has made a false, misleading or fraudulent
- 1664 statement or who has intentionally omitted pertinent information
- 1665 on his or her application for a license;
- 1666 8. Any natural person who is under 21 years of age;

Commented [DM13]: Deleted and included in 5.13.22
the allowed licenses.

1667 9. Any person who operates or manages a regulated cannabis
1668 business contrary to the provisions of this Chapter, any other
1669 applicable law, rule, or regulation or conditions imposed on land
1670 use or license approvals, or contrary to the terms of the plans
1671 submitted with the license application or has operated a business
1672 in violation of any law;

1673 10. Any person applying for a license to operate a regulated cannabis
1674 business who has been licensed to operate another regulated
1675 cannabis business in the City pursuant to this Chapter;

1676 11. A person licensed pursuant to this Chapter who, during a period
1677 of licensure, or who, at the time of application, has failed to remedy
1678 an outstanding delinquency for taxes owed, or an outstanding
1679 delinquency for judgments owed to a government;

1680 12. A sheriff, deputy, police officer, prosecuting officer, or an officer
1681 or employee of the state or Authority; and,

1682 13. A person whose authority to be a primary caregiver as defined in
1683 § 25-1.5-106(2), C.R.S., has been revoked by the state health
1684 agency.

1685 14. No owner of any business applying for a license or in possession
1686 of a license within the City may apply for or be an owner of or be
1687 an affiliate of any other business entity applying for another license
1688 within the City.

1689 (b) In making an evaluation of the good moral character of an individual
1690 identified on an application or amendment thereof, the Authority shall
1691 consider the following:

1692 1. An Applicant's violation of law shall not, by itself, be grounds for
1693 denying an application;

1694 2. Verification of or lack of ability to verify items disclosed by the
1695 Applicant;

1696 3. When a person has a history of violation of any law or a history
1697 including denial, revocation, or suspension of a license, the types
1698 and dates of violations; the evidence of rehabilitation, if any,
1699 submitted by the individual; whether the violations of any laws are
1700 related to moral turpitude, substance abuse, or other violations of
1701 any laws that may directly affect the individual's ability to operate
1702 a regulated cannabis business; or whether the violations of any law
1703 are unrelated to the individual's ability to operate such a business;

- 1704 4. The evidence or lack of evidence regarding the ability of the
1705 individual to refrain from being under the influence of intoxicating
1706 or controlled substances while performing regular tasks and
1707 operating a regulated cannabis business;
- 1708 5. Rules adopted by the Authority to implement this Chapter;
- 1709 6. Law, rules, and regulations applicable to evaluation of other types
1710 of licenses issued by the City that consider the good moral
1711 character of the Applicant; and,
- 1712 7. Any additional information the Authority may request of the
1713 Applicant if the Applicant has a violation of any laws, an
1714 administrative or judicial finding of violation of laws regarding use
1715 of alcohol or controlled substances or items disclosed by the
1716 individual which require additional information in order for the
1717 manager to make a determination regarding issuance of the
1718 license.

1719 **5.13.02934 Security requirements.**

1720 Security measures at all licensed premises shall comply with the requirements of
1721 the Colorado Marijuana Code and applicable rules and regulations promulgated
1722 thereunder. In addition, thereto, the following security practice are required:

1723 (a) A security plan submitted with the Application, as it may be amended, shall
1724 provide equipment, which shall be in good working order, monitored, and
1725 secured 24 hours per day. The plan, at a minimum, shall include:

- 1726 1. The installation and use of security cameras to monitor and record all
1727 areas of the premises (except restrooms), and where persons may
1728 gain or attempt to gain access to cannabis or cash maintained by the
1729 regulated cannabis business. Cameras shall record operations of the
1730 business to the off-site location, as well as all potential areas of
1731 ingress or egress to the business with sufficient detail to identify facial
1732 features and clothing. Recordings from security cameras shall be
1733 maintained for a minimum of 40 days in a secure offsite location in the
1734 City or through a service over a network that provides on-demand
1735 access, commonly referred to as a "cloud". The offsite location shall
1736 be included in the security plan submitted to the City and provided to
1737 the Grand Junction Police Department and updated within 72 hours of
1738 any change of such location.
- 1739 2. The installation and use of a safe for storage and any processed
1740 cannabis and cash on the premises when the business is closed to

the public. The safe, as defined in 5.13.013, shall be incorporated into the building structure or securely attached thereto.

3. The installation and use of an alarm system that is monitored by a company that is staffed 24 hours a day, seven days a week. The security plan submitted to the City shall identify the company monitoring the alarm, including contact information, and updated within 72 hours of any change of monitoring company. If the alarm system includes a panic alarm, an operable dedicated phone for law enforcement to respond to the alarm shall remain on the premises at all times.

4. The installation and use of outdoor lighting and a diagram and description of where the lighting shall be placed in accordance with the GJMC.

(b) The security plan shall be designed to:

1. Prevent the use of cannabis on the licensed premises;
2. Prevent unauthorized individuals from entering the limited access area portion of the licensed premises;
3. Prevent theft or the diversion of cannabis, including maintaining all cannabis in a secure, locked room that is accessible only to authorized persons and, when the business is closed to the public, in a safe or vault or equivalent secured fixture.

5.13.03035 Insurance.

(a) All Applicants must provide at time of application ~~a quote for~~ binding quote commitment(s) insurance for worker's compensation insurance as required by state law and general liability insurance with minimum limits of \$1,000,000 per occurrence and a \$2,000,000 aggregate limit.

(b) Licensee shall at all times maintain in force and effect worker's compensation insurance as required by state law and general liability insurance with minimum limits of \$1,000,000 per occurrence and a \$2,000,000 aggregate limit.

(c) Insurance shall:

1. Provide primary coverage;
2. Carry limits as provided in this Chapter;

1774 3. Issue from a company licensed to do business in Colorado having an AM
1775 Best rating of at least A-VI; and,

1776 4. Be procured and maintained in full force and effect for duration of the
1777 License.

1778 (d) Licensee shall be required to maintain insurance under this section and shall
1779 annually provide the City a certificate of insurance evidencing the existence
1780 of a valid and effective policy. The certificate shall show the following:

1781 1. The limits of each policy, the name of the insurer, the effective date and
1782 expiration date of each policy, the policy number, and the names of the
1783 additional insureds; and,

1784 2. A statement that Licensee shall notify the City of any cancellation or
1785 reduction in coverage within seven days of receipt of insurer's
1786 notification to that effect. The Licensee shall forthwith obtain and submit
1787 proof of substitute insurance in the event of expiration or cancellation of
1788 coverage within 30 days.

1789 5.13.0316 Report requirements.

1790 A cannabis business shall report to the City Manager each of the following within
1791 the time specified. If no time is specified, the report shall be provided within 72
1792 hours of the event:

1793 (a) Transfer or change of financial interest, manager or Financier in the license
1794 to the City at least 30 days before the transfer or change;

1795 (b) Sales and taxable transactions and file sales and use tax reports to the City
1796 monthly;

1797 (c) Any violation of law by any Licensee, Applicant, or employee of a regulated
1798 cannabis business;

1799 (d) A notice of potential violation of any law to any license;

1800 (e) Upon City request, any report that the regulated cannabis business is
1801 required to provide to the State; and;

1802 (f) Licensee and any agent, manager or employee thereof shall immediately
1803 report to the Grand Junction Police Department any disorderly act, conduct
1804 or disturbance and any unlawful activity committed in or on the licensed
1805 premises, including, but not limited to, any unlawful sale of regulated
1806 cannabis, and shall also immediately report any such activity of which the

1807 Licensee has knowledge in the immediate vicinity of the business within
1808 twelve hours of the occurrence.

1809 (g) Each Licensee shall post and keep at all times visible to the public in a
1810 conspicuous place on the premises a sign with a minimum height of 14
1811 inches and a minimum width of 11 inches with each letter to be minimum of
1812 one-half inch in height, which shall read as follows:

1813

1814 **WARNING:**

1815 **Grand Junction Police Department shall be notified of any**
1816 **disorderly act(s), conduct or disturbance(s) and all unlawful**
1817 **activity(ies) which occur on or within the premises of this licensed**
1818 **establishment.**

1819 (g)(h) It shall not be a defense to a prosecution of a License under this
1820 section that the Licensee was not personally present on the premises at the
1821 time such unlawful activity, disorderly act, conduct, or disturbance was
1822 committed.

1823 (h)(i) Failure to comply with the requirements of this section shall be
1824 considered by the Authority in any action relating to the issuance,
1825 revocation, suspension or nonrenewal of a license.

1826 **5.13.0327 Public health and labeling requirements.**

1827 (a) All regulated cannabis sold or otherwise distributed by the Licensee shall be
1828 labeled in a manner that complies with the requirements of the Colorado
1829 Marijuana Code and all applicable rules and regulations promulgated
1830 thereunder.

1831 (b) All regulated cannabis sold or otherwise distributed by the Licensee shall be
1832 packaged and labeled in a manner that advises the purchaser that it contains
1833 cannabis and specifies the amount of cannabis in the product, that the
1834 cannabis is intended for regulated use solely by the person to whom it is
1835 sold, and that any resale or redistribution of the regulated cannabis to a third
1836 person is prohibited. In addition, the label shall comply with all applicable
1837 requirements of the State of Colorado and any other applicable law.

1838 (c) The product shall be packaged in a sealed container that cannot be opened
1839 without obvious damage to the packaging.

1840 **5.13.0338 Cannabis sales; walk-up and drive thru.**

(a) Regulated cannabis stores licensed may serve customers through drive-up window as permitted by the City and the State. If a licensed business intends to permit a walk-up and/or drive-thru sales, this must be included in the business plan submitted to the City in the application process.

(b) Order and identification requirements.

1. Prior to transferring cannabis to a customer, the regulated cannabis business must ensure that the consumer is 21 years of age or older by inspecting the consumer's identification. ~~in the same manner as described in § 5.13.041(f).~~

2. Regulated cannabis stores may accept telephone or online orders or may accept orders from the consumer at the walk-up window or drive-up window, to the extent allowed under state law.

3. All orders received through a walk-up window or drive-thru window must be placed by the customer from a menu. The regulated cannabis store may not display cannabis at the walk-up or drive-thru window.

4. Delivery windows for walk-up sales must be at a separate location on the premises than those for drive-thru sales.

5. For every transfer of regulated cannabis through either a walk-up window or drive-up window, the regulated cannabis store video surveillance must record the consumer's facial features with sufficient clarity to establish their identity (and consumer's vehicle in the event of drive-up window) and must record the Licensee verifying the consumer's identification and completion of the transaction through the transfer of regulated cannabis.

5.13.0349 Prohibited acts. It shall be unlawful:

(a) For any person to sell cannabis or cannabis products without valid regulated cannabis business licenses from the City and a valid regulated cannabis business license from the State;

(b) at a licensed regulated cannabis store any time not permitted by this Code;
For any person to operate a regulated cannabis business

- 1874 (c) For any person to sell or distribute cannabis to persons under the age of 21;
- 1875 (d) For any person under 21 years of age to be on or within the limited access
1876 area of any cannabis business;
- 1877 (e) For any person to display, transfer, cultivate, distribute, transfer, serve, sell,
1878 give away, produce, dispose of, smoke, use, or ingest cannabis or any
1879 cannabis openly or publicly in a place open to the general public;
- 1880 (f) For any person to possess or operate a cannabis business in violation of
1881 this Chapter or in a manner that is not consistent with the items disclosed in
1882 the application for the cannabis business or be in violation of any plan made
1883 part of the License Application and/or License;
- 1884 (g) For any person to produce, distribute, or possess more cannabis than
1885 allowed by law, or than disclosed in the application to the State of Colorado
1886 and the Authority for a cannabis business license, or other applicable law;
- 1887 (h) For any person to refuse or fail to provide video surveillance footage to the
1888 Grand Junction Police Department, the City Manager, the City Attorney, or
1889 the Authority in connection with a criminal and/or license violation
1890 investigation, or to refuse to allow inspection of a cannabis business.
1891
- 1892 (i) For any person to refuse to allow inspection of a regulated cannabis
1893 business upon request of a City employee. Any Licensee, owner, manager,
1894 or operator of a regulated cannabis business, or the owner of the property
1895 where a regulated cannabis business is located, may be charged with this
1896 violation;
- 1897 (j) For any person to store or keep cannabis intended for sale or distribution by
1898 the Licensee in any place outside of the licensed premises;
- 1899 (k) For any person to smoke, use, or ingest on the premises of a regulated
1900 cannabis business cannabis, fermented malt beverage, malt, vinous, and
1901 spirituous liquor or any controlled substance(s), except in compliance with
1902 the directions on a legal prescription for the person from a doctor with
1903 prescription writing privileges;
- 1904 (l) For any person to operate or be in physical control of any cannabis business
1905 while under the influence of alcohol or other intoxicant, or cannabis, or any
1906 controlled substance(s), except in compliance with the directions on a legal
1907 prescription for the person from a doctor with prescription writing privileges;
- 1908 (m) For alcohol beverages to be on the licensed premises;

- 1909 (n) For any person to purchase cannabis in the City from any person not
1910 properly licensed to sell cannabis;
- 1911 (o) For any person to possess or operate a regulated cannabis business in
1912 violation of this Chapter;
- 1913 (p) For any person to produce, distribute, or possess more cannabis than
1914 allowed by law; or than disclosed in the application to the State of Colorado
1915 for a regulated cannabis business license, or other applicable law;
- 1916 (q) For any person to give away, dispense, or otherwise distribute cannabis for
1917 free or without use of a coupon approved and defined by this Code;
- 1918 (r) For any person to knowingly conduct or permit any employee to conduct any
1919 sale(s) transaction(s) when the video surveillance system or equipment is
1920 inoperable;
- 1921 (s) For any person to distribute cannabis for remuneration without a regulated
1922 cannabis license or outside of the restricted area of the regulated cannabis
1923 business;
- 1924 (t) For any person to possess regulated cannabis, or own or manage a
1925 regulated cannabis business, or own or manage a building with a regulated
1926 cannabis business, where there is possession of regulated cannabis, by a
1927 person who is not lawfully permitted to possess regulated cannabis;
- 1928 (u) For any person to possess or operate a regulated cannabis business in a
1929 location for which a regulated cannabis business license is prohibited by
1930 law;
- 1931 (v) For any person to operate a regulated cannabis business in a manner that is
1932 not consistent with the Application for the regulated cannabis business or is
1933 in violation of any plan made part of the license application/issued license;
- 1934 (w) For any person to operate a regulated cannabis business without obtaining
1935 and passing all building inspections and obtaining all permits required by
1936 the City;
- 1937 (x) For any person to operate a regulated cannabis business in violation of any
1938 building, fire, zoning, plumbing, electrical, or mechanical code(s) as adopted
1939 and amended by the City;
- 1940 (y) For any person to operate a regulated cannabis business without disclosing,
1941 in the application for a regulated cannabis business license or an
1942 amendment thereto, an agent who either (i) acts with managerial authority,
1943 (ii) provides advise to the regulated cannabis business for compensation, or

1944 (iii) receives periodic compensation totaling \$1,000 or more in a single year
 1945 for services related to the regulated cannabis business. It shall be an
 1946 affirmative defense that the undisclosed person was an attorney,
 1947 accountant, bookkeeper, or mail delivery person;

1948 (z) For any person to operate a regulated cannabis business without a sales tax
 1949 license as required by the GJMC;

1950 (aa) For any person to make any change(s), or for the Licensee to allow any
 1951 change(s), to the terms of any plan(s) submitted with the license application
 1952 and approved by the City, or the person(s) entity(ies) named in the
 1953 application, without prior approval of the City;

1954 (bb) For any person to attempt to use or display a regulated cannabis business
 1955 license at a different location or for a different business entity than the
 1956 location and business entity disclosed on the application for the issued
 1957 license;

1958 (cc) For any person to cultivate, produce, distribute or possess regulated
 1959 cannabis or own or manage a regulated cannabis business in which another
 1960 person cultivates, produces, distributes, or possesses cannabis, in
 1961 violation of law;

1962 (dd) For any person to allow an owner or manager that has not been disclosed
 1963 to the City as required by law to operate the business;

1964 (ee) For any person to dispose of regulated cannabis or any by-product of
 1965 regulated cannabis containing cannabis in a manner contrary to law;

1966 (ff) For a person to distribute a regulated cannabis plant to any person, except
 1967 as permitted by law for immature plants;

1968 (gg) For any person to deliver regulated cannabis between regulated cannabis
 1969 businesses except in strict compliance with law;

1970 (hh) For any person to advertise or publish materials, honor coupons, sell
 1971 or give away products, or display signs that are in violation of this Code or
 1972 the laws of the State of Colorado;

1973 (ii) For any person to violate any provision of this Code or any condition of a
 1974 license granted pursuant to this Code or any law, rule, or regulation
 1975 applicable to the use of regulated cannabis or the operation of a regulated
 1976 cannabis business;

1977 (jj) For any person to permit any other person to violate any provision of this
 1978 Code or any condition of an approval granted pursuant to this Code, or any

1979 law, rule, or regulation applicable to the use of regulated cannabis or the
1980 operation of a regulated cannabis business;

1981 (kk) For any person to lease any property to a regulated cannabis business that
1982 has cannabis on the property without a regulated cannabis business license
1983 from the City;

1984 (ll) For any person to distribute cannabis within a regulated cannabis business
1985 to any person who shows visible signs of intoxication from alcohol,
1986 cannabis, or other drug(s)/intoxicant(s);

1987 (mm) For any person to be on or within the licensed premises if such person is
1988 under 21 years of age;

1989 (nn) For any person to permit any person under 21 years of age on the premises
1990 of the regulated cannabis business; it is presumed that the Licensee is
1991 aware of the age of all people on the premises if identification is not
1992 specifically checked at the entry to the building;

1993 (oo) For any person to fail to confiscate fraudulent proof of age and notify the
1994 Grand Junction Police Department. It shall be an affirmative defense to
1995 failure to confiscate the fraudulent proof of age if an attempt to confiscate
1996 a fraudulent proof of age caused a reasonable person to believe the act
1997 created a threat to any person;

1998 (pp) For any person to fail to provide a copy or record of a coupon issued by or
1999 redeemed at the regulated cannabis business upon request of an authorized
2000 City employee;

2001 (qq) For any licensee or any manager, agent or employee of such licensee to fail
2002 to immediately report to the Grand Junction Police Department and the
2003 Authority any disturbance(s), disorderly conduct or criminal activity
2004 occurring at the regulated cannabis business, on the licensed premises,
2005 within the licensed premises, or any property under the control or
2006 management of the Licensee, including any associated contiguous parking
2007 area used by Licensee's patrons. For the purpose of this subsection,
2008 "report" means to either:

2009 1. Immediately, verbally, and directly in person notify any on-site
2010 uniformed Grand Junction Police Officer whether on duty or
2011 working secondary employment; or

2012 2. Immediately place and complete a telephone call to the non-
2013 emergency line at the Grand Junction Police Department; or

2014 3. Immediately place and complete a telephone call to the
2015 emergency line at the Grand Junction Police Department.

2016 (rr) For any person to fail to post the premises with signs notifying the public of
2017 the closure of the business during a suspension as required by this Chapter;

2018 (ss) For any licensee holding a regulated cannabis store license, or for any agent,
2019 manager or employee thereof, to sell, give, dispense or otherwise distribute
2020 cannabis or regulated cannabis paraphernalia from any outdoor location;

2021 (tt) For any person to employ a business manager that has not been properly
2022 registered with the City; and,

2023 (uu) For any person to operate or possess a regulated cannabis business license
2024 in violation of any ordinance or regulation of the City, or any applicable law,
2025 rule or regulation.

2026 Any person who pleads guilty or no contest to, or who, after hearing, is found to
2027 have violated any of the foregoing shall be subject to penalties pursuant to
2028 Chapter 1.04.080 and any penalties specifically referenced within the GJMC.

2029 5.13.03540 Nonrenewal, suspension or revocation of license.

2030 (a) The term and renewal of the license shall be governed by the standards and
2031 procedures set forth in the Colorado Marijuana Code, the City's Code and
2032 any rules and regulations adopted pursuant thereto.

2033 (b) The Authority, acting by and through the Hearing Officer, may, after notice
2034 and hearing, suspend, revoke or deny renewal of a license for any of the
2035 following reasons:

2036 1. The Applicant or licensee, or his or her agent, manager or employee,
2037 manager, or financier has violated, does not meet, or has failed to comply
2038 with, any of the terms, requirements, conditions, or provisions of this
2039 Code or with or with any applicable state or local law, rule or regulation;

2040 2. The Applicant or Licensee, or his or her agent, manager or employee, or
2041 financier has failed to comply with any special terms or conditions of its
2042 license pursuant to an order of the state or the Authority, including those
2043 terms and conditions that were established at the time of issuance of the
2044 license and those imposed as a result of any disciplinary
2045 proceeding(s) held subsequent to the issuance of the license;

2046 3. The regulated cannabis business has been operated, by a preponderance
2047 of the evidence, in a manner that adversely affects the public health,
2048 safety or welfare;

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4. Misrepresentation or omission of any material fact, or false or misleading information, on the application any amendment thereto, or renewal request, or any other information provided to the City related to the regulated cannabis business;
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5. Violation of any law by which, if occurring prior to and during submittal and review of the application, could have been cause for denial of the license application;
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6. Distribution of cannabis, including, without limitation, in violation of this Chapter or any other applicable law, rule, or regulation;
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7. Failure to maintain, or provide to the City upon request, any books, recordings, reports, or other records required by this Chapter;
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8. Failure of the Licensee to file any report(s), notification(s) or furnish any information as required by the provisions of this Chapter, or any rule or law adopted pursuant thereto relating to any license authorized by law;
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9. Failure to timely notify the City and to complete necessary form(s) for change(s) in financial interest, manager(s), financier, or agent;
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10. Temporary or permanent closure, or other sanction of the business, by the City, or by the County or State of Colorado or other governmental entity with jurisdiction, for failure to comply with health and safety provisions of this Chapter or otherwise applicable to the business or any other applicable law;
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11. Revocation or suspension of another regulated cannabis business or any other license issued by the City, the State, or any other jurisdiction held by any Licensee of the regulated cannabis business;
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12. Failure to timely correct any violation of any law or comply with any order to correct a violation of any law within the time stated in the notice or order;
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13. Abandonment of the licensed premises by the Licensee or otherwise ceasing of operations without notifying the Authority and the state licensing authority within 48 hours in advance and without accounting for and forfeiting to the state licensing authority for the destruction of all cannabis or products containing cannabis;
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14. Failure to comply with the provisions of the Colorado Marijuana Code, the City's Code, and any rule or regulation adopted pursuant thereto, or any special term or condition placed upon the Licensee by order of the Authority or State licensing authority.

- 2085 **15. Violations of any conditions imposed in connection with the issuance or**
2086 **renewal of the license;**
- 2087 **16. Failure to pay all required fines, interest, costs, fees, or penalties**
2088 **assessed against or imposed upon such Licensee in relation to the**
2089 **licensed cannabis business;**
- 2090 **17. Failure to file tax returns when due as required by this Code, or the**
2091 **Licensee is overdue on his or her payment to the state or local taxes**
2092 **related to the operation of the business associated with the license;**
- 2093 **18. Loss of right of possession to the licensed premises;**
- 2094 **19. Failure of the licensee to comply with the duty to supplement the license**
2095 **application;**
- 2096 **20. Failure of the licensee to operate in accordance with any special term or**
2097 **condition placed upon a license by the Authority or the state licensing**
2098 **authority;**
- 2099 **21. The licensee, or any of agent(s) or employee(s) of the Licensee, have**
2100 **committed any unlawful act as described in this Chapter or violated any**
2101 **ordinance of the City or any state law on the premises or have permitted**
2102 **such a violation on the premises by any person;**
- 2103 **22. The licensee has knowingly permitted or encouraged, or has knowingly**
2104 **and unreasonably failed to prevent a public nuisance within the meaning**
2105 **of this Chapter from occurring or in or about the licensed premises;**
- 2106 **23. The odor of cannabis is perceptible to an ordinary person at the exterior**
2107 **of the building at the licensed premises or is perceptible within any space**
2108 **adjoining the licensed premises;**
- 2109 **24. The licensee knowingly permitted or allowed the consumption of**
2110 **cannabis on the licensed premise;**
- 2111 **25. The licensee knowingly permitted the possession or consumption of an**
2112 **alcohol beverage within the licensed premises. At any hearing for**
2113 **violation of this subsection, any bottle, can, or other container label**
2114 **indicating the contents of such bottle, can, or other container, shall be**
2115 **admissible into evidence and shall be prima facie evidence that the**
2116 **contents of the bottle, can, or other container was composed in whole or**
2117 **in part an alcohol beverage;**
- 2118 **26. The licensee has failed to appear upon a Municipal Court summons;**

2119 27. The licensee, or any of the officer(s), director(s), owner(s), manager(s),
 2120 agent(s), or employee(s) has(have) been convicted of a felony or drug
 2121 related criminal offense within the previous 12 months;

2122 28. The licensee engaged in any form of business or commerce involving the
 2123 cultivation, processing, manufacturing, storage, sale, distribution,
 2124 transportation, ~~testing~~, research or consumption of any form of cannabis
 2125 or cannabis product other than the privileges granted under the regulated
 2126 cannabis business license;

2127 29. The licensee has materially or substantially, changed, altered, or modified
 2128 the licensed premises, or use of the licensed premises, without obtaining
 2129 prior approval to make such changes, alterations, or modifications from
 2130 the Authority;

2131 30. The licensee has failed to maintain a valid state license; and,

2132 31. The licensee, or any of the agent(s), servant(s) or employee(s) of the
 2133 licensee has/have violated any ordinance of the City or any state or
 2134 federal law on the premises or have permitted such a violation on the
 2135 premises by any other person.

2136 (c) Evidence to support a finding of a violation(s) may include, without
 2137 limitation, one or a combination of the following;

2138 1. A continuing pattern of disorderly conduct, disturbance(s) or criminal
 2139 activity occurring at the location, on the licensed premises, within the
 2140 licensed premises, or any adjoining grounds or property under the
 2141 control or management of the licensee;

2142 2. An ongoing nuisance condition emanating from or caused by the
 2143 regulated cannabis business.

2144 (d) In the event a business or Licensee is charged with violation of any law, upon
 2145 which a final judgment would be grounds for suspension or revocation of a
 2146 license, the City may suspend the license pending the resolution of the
 2147 alleged violation.

2148 (e) If the City revokes or suspends a license, the regulated cannabis business
 2149 may not move any cannabis from the premises except under the supervision
 2150 of the Grand Junction Police Department.

2151 (f) The Authority shall conduct a review of all licenses at least annually and, in
 2152 addition to examining the factors enumerated in this subsection, may hold a
 2153 hearing on each license at which the general public may be invited to appear
 2154 and provide testimony as to the effects of the license on the surrounding

2155 community and the City at large, and the Authority may take such views into
2156 consideration when deciding whether to continue or renew such license.

2157 (g) In the event of the suspension of a regulated cannabis business license,
2158 during the period of suspension, the business:

2159 1. Shall post two notices provided by the Authority, in conspicuous places,
2160 one on the exterior and one on the interior of its premises for the duration
2161 of the suspension; and

2162 2. Shall not sell or otherwise distribute or transport cannabis, nor allow any
2163 customers into the licensed premises.

2164 5.13.03641 Operational Standards.

2165 All regulated cannabis businesses shall comply with the applicable state and local
2166 laws, rules and regulations, as amended. In addition, Licensees shall comply with
2167 the following local operational standards. Failure to comply with any State or local
2168 law, rule or regulation or any operational standard(s) may be grounds to suspend
2169 or revoke any license and impose civil penalties where applicable.

2170 (a) Odor management – ventilation required. For all cannabis businesses,
2171 ventilation shall be installed so that the odor of cannabis cannot be detected
2172 by a person with a normal sense of smell at the exterior of a regulated
2173 cannabis business or at any adjoining use or property.

2174 (b) Hours of operation. A regulated cannabis business shall be closed to the
2175 public, and no sale or other distribution of cannabis shall occur upon the
2176 premises between the hours of 12 a.m. 10 p.m. and 8 a.m. Provided, however,
2177 in the event that a planned delivery of cannabis cannot be completed on the
2178 day scheduled, the cannabis may be returned to the business.

2179 (c) Display of licenses required. The name and contact information for the owner
2180 or owners and any manager of the regulated cannabis business, the regulated
2181 cannabis business license, and the sales tax business license shall be
2182 conspicuously posted inside the business near the main entrance.

2183 (d) Owner or manager required on premises. No regulated cannabis business
2184 shall be managed by any person other than the Licensee, or the manager
2185 listed on the application for the license or a renewal thereof. Such Licensee
2186 or manager shall be on the premises and responsible for all activities within
2187 the licensed business during all times when the business is open or in the
2188 possession of another person.

2189 5.13.03742 Records.

- 2190 (a) Each Licensee shall keep a complete set of books of account, invoices,
2191 copies of orders and sales, shipping instructions, bills of lading, weigh
2192 bills, correspondence, bank statements, including cancelled checks and
2193 deposit slips, and all other records necessary to show fully the business
2194 transactions of such Licensee. Receipts shall be maintained in a
2195 computer program or by pre-numbered receipts and used for each sale.
2196 The records of the business shall clearly track regulated cannabis
2197 product inventory purchased and sales and disposal thereof to clearly
2198 track revenue from sales of any regulated cannabis from other
2199 paraphernalia or services offered by the regulated cannabis business.
- 2200 (b) All records shall be open at all times during business hours for the
2201 inspection and examination of the City or its duly authorized
2202 representatives.
- 2203 (c) The City shall require any Licensee to furnish such information as it
2204 considers necessary for the proper administration of this Chapter. The
2205 records shall clearly show the source, amount, price, and dates of all
2206 cannabis received or purchased, and the amount, price, dates, customer
2207 names, addresses, and contact information for all regulated cannabis
2208 sold.
- 2209 (d) By applying for a regulated cannabis business license, the Licensee is
2210 providing consent to disclose the information required by this Chapter,
2211 including information about customers. Any records provided by the
2212 Licensee that includes customer confidential information may be
2213 submitted in a manner that maintains the confidentiality of the documents
2214 under the Colorado Open Records Act, § 24-72-201, *et seq.*, C.R.S., or
2215 other applicable law. Any document that the Applicant considers eligible
2216 for protection under the Colorado Open Records Act shall be clearly
2217 marked as confidential, and the reasons for such confidentiality shall be
2218 stated on the document. In the event that the Licensee does appropriately
2219 submit documents so as not to be disclosed under the Colorado Open
2220 Records Act, the City shall not disclose it to other parties who are not
2221 agents of the City, except law enforcement agencies. If the City finds that
2222 such documents are subject to inspection, it will provide at least 24-hour
2223 notice to the Applicant prior to such disclosure.

2224 **5.13.03843 Audits and inspection.**

- 2225 (a) The City may require an audit to be made of the books of account and
2226 **financial** records of a regulated cannabis business on such occasions as
2227 it may consider necessary. Such audit may be made by an auditor to be
2228 selected by the City that shall likewise have access to all books, **records**
2229 and **information records** of the regulated cannabis business. The expense

of any audit determined necessary by the City shall be paid by the regulated cannabis business.

(b) Application for regulated cannabis business license and/or operation of a regulated cannabis business, or leasing property to a regulated cannabis business, constitutes consent by the Applicant, and all owners, managers, and employees of the business, and the owner of the property to permit the Authority or agent of the Authority, or anyone authorized to conduct routine inspections of the regulated cannabis business to ensure compliance with this Chapter or any other applicable law, rule, or regulation. The owner or manager on duty shall retrieve and provide the records of the business pertaining to the inspection. For purposes of Rule 241 of the Colorado Rules of Municipal Procedure, inspections of regulated cannabis businesses and recordings from security cameras in such businesses are part of the routine policy of inspection and enforcement of this Chapter for the purposes of protecting the public safety, individuals operating and using the services of the regulated cannabis business, and the adjoining properties and neighborhood. This section shall not limit any inspection authority authorized under any other provision of law or regulation, including those of police, fire, building, and code enforcement officials. Application for a regulated cannabis business license constitutes consent to inspection of the business as a public premises without a search warrant, and consent to seizure of any surveillance records, camera recordings, reports, or other materials required as a condition of a regulated cannabis license without a search warrant.

(c) The licensed premises, including any places of storage where regulated marijuana or regulated marijuana products are stored, sold, dispensed, or tested are subject to inspection by the City, during all business hours and other times of apparent activity, for the purpose of inspection or investigation. When any part of the licensed premises consists of a locked area, upon demand to the Licensee, such area must be available for inspection without delay, and upon request by the City, the Licensee shall open the area for inspection.

~~**(b)**~~

(e)(d) Initial inspection. The City may inspect any regulated cannabis businesses prior to final issuance of a license to verify that the facilities are constructed and can be operated in accordance with the Application submitted and the requirements of laws.

(d)(e) Regular inspections. The City is authorized to perform regular inspections on a quarterly basis during the first year following licensure,

2270 and on a yearly basis prior to license renewal following the first year of
2271 operation.

2272 ~~(e)~~(f) Random inspections. Regular licensing inspection(s) shall not
2273 prevent the City from inspecting regulated cannabis businesses at
2274 random intervals and without advance notice pursuant to the City's Code,
2275 the Colorado Marijuana Code, the Colorado Department of Revenue
2276 Enforcement Division Marijuana Rules, the Colorado Constitution, the
2277 City's Code, or any rule and regulations adopted thereto.

2278 ~~(f)~~(g) Inspection of records. The records to be maintained by each regulated
2279 cannabis business shall include the source and quantity of any cannabis
2280 distributed, produced, or possessed within the premises. Such reports
2281 shall include, without limitation, for both acquisitions from wholesalers
2282 and transactions to patients or caregivers, the following:

- 2283 1. Name and address of seller or purchaser;
- 2284 2. Date, weight, type of cannabis, and monetary amount or other
2285 consideration of transaction;
- 2286 3. For wholesaler transactions, the state and City, if any, sales and
2287 use tax license number of the seller.

2288 ~~(g)~~(h) Disposal of regulated cannabis and cannabis byproducts. All
2289 regulated cannabis and any product containing a usable form of cannabis
2290 must be made unusable and unrecognizable prior to removal from the
2291 business in compliance with all applicable laws. This provision shall not
2292 apply to licensed law enforcement, including without limitation, the Grand
2293 Junction Police Department and the Grand Junction Fire Department.

2294 ~~(h)~~(i) The manager of a regulated cannabis business is required to respond
2295 by telephone or email within 24 hours of contact by a City official
2296 concerning its cannabis business at the telephone number or email
2297 address provided to the City as the contact for the business. Each 24-
2298 hour period during which an owner or manager does not respond to the
2299 City official shall be considered a separate violation.

2300 **5.13.03944 Modification of premises.**

2301 (a) Any modification of the licensed premises shall be governed by the
2302 standards and procedures set forth in the Colorado Marijuana Code, this
2303 Chapter, and any regulations adopted pursuant thereto.

(b) The Authority shall administer applications to modify the premises in the same manner as the state licensing authority administers changes of location and modifications of premises for state licenses.

(c) Any application for a proposed modification of the licensed premises shall comply with and shall be subject to review and approval of the Building Departments and any other agency that is required to approve such modification.

5.13.0405 Renewals.

(a) A regulated cannabis business license issued pursuant to this Chapter shall be valid for one year from the date of issuance and shall automatically expire on the last day of the month in which the License is issued of the year following issuance or renewal of the License.

(b) During the term of the License, the Licensee shall have the ongoing obligation to:

1. Provide the City with copies of all material that it voluntarily files or is required to file with the Colorado Department of Revenue Marijuana Enforcement Division; and,
2. Post a 24 inch x 36 inch sign within the licensed premises of a regulated cannabis business which includes the warning statements set forth in Rule 1006 C.1.i. of the Colorado Department of Revenue Marijuana Enforcement Division Permanent Rules Related to the Colorado Regulated Marijuana Code, as amended.

(c) Licensee must apply for the renewal of an existing license at least 45 days prior to the License's expiration date. The Licensee shall apply for renewal using forms provided by the City. If the Licensee fails to timely file a renewal application, the Licensee must provide a written explanation detailing the circumstances surrounding the late filing. If the Authority accepts the application, then it administratively continues the License beyond the expiration date, but for no longer than 45 days after the expiration date, while the Authority completes the renewal licensing process, in which case, the Licensee shall pay an additional fee to the City prior to issuance of the renewed license. The renewal license fee, and late fee if applicable, shall accompany the renewal application. Such fee(s) are nonrefundable.

(d) In the event that there has been a change to any of the plans ~~submitted with identified in the license application, which were submitted to and approved by the Authority with the application or an earlier a renewal, the renewal or~~

modification of the premises application, such change(s) shall be specifically include specifics of the changes or proposed and described prior to be made by the Licensee and/or approved, if at all, by the Authority changes in any of such plans.

- (e) In the event any person who has an interest in the License or any manager, financier, agent as defined herein, or employee has been charged with or accused of violations of any law since issuance of the License, the renewal application shall include the name of the violator, the date of the violation, the court and case number where the violation was filed, and the disposition of the violation with the renewal application.
- (f) In the event the regulated cannabis business Licensee has received any notice of violation of any law, the renewal application shall include a copy of the notice or suspension.
- (g) The renewal application shall include verification that the business has a valid state license and the state license is in good standing.
- (h) The Authority shall not accept renewal applications after the expiration of the License.
- (i) No renewal application shall be accepted by the Authority that is not complete. Any application mailed to or deposited with the Authority that, upon examination, is found to have some omission or error, shall be returned to the Applicant for completion or correction.
- (j) In the event there have been allegations of violations of this Chapter, if the Licensee has a history of violation(s), or if the Licensee has committed unlawful acts, and/or if there are allegations against the Licensee that would constitute **good** cause as defined herein by any of the Licensee(s) or the business submitting a renewal application, the **Authority City** may hold a hearing pursuant to § 5.13.02734 of this Chapter, prior to approving the renewal application. The hearing shall be to determine whether the application and proposed Licensee(s) comply with this Chapter. If the Authority holds a hearing and the application and the Licensee **is are** found to meet the requirements of this Chapter, or the business has been operated in the past in violation of law, rule or regulation, then the renewal application may be denied or issued with conditions, and the Authority's decision shall be final subject to judicial review.
- (k) All renewal applications shall be reviewed and evaluated by the Authority if no hearing is scheduled. The Authority may refuse to renew any license for

good cause as that term is defined in this Chapter and any applicable local law or regulation.

- (l) In the event a regulated cannabis business that has been open and operating and submitting monthly sales and use tax returns to the City ceases providing sales and use tax returns to the City for a period of three months or longer, the cannabis business license shall be set for a public hearing for the Authority to determine if the License shall be revoked.
- (l) In the event the City incurs costs in the inspection, clean-up, or any other necessary or required action to remove regulated cannabis of any regulated cannabis business, or any person cultivating, producing, distributing, or possessing cannabis, or otherwise cause the business to be in compliance with applicable law, the Licensee shall reimburse the City all costs incurred by the City for such inspection and/or cleanup.

5.13.04~~15~~¹⁶ Compliance monitoring.

- (1) The City shall monitor compliance with this Chapter, as it deems appropriate.
- (2) The City shall have the discretion to consider any or all previous compliance check histories of a Licensee in determining how frequently to conduct compliance checks of a Licensee with respect to any licensee(s).
- (3) Compliance checks shall be conducted as the City determines appropriate so as to allow the City to determine, at a minimum, if the regulated cannabis business is conducting business in a manner that complies with law.
- (4) It shall not be a violation of the law for a person under the minimum sale age for cannabis purchases or possession to purchase or possess cannabis products if the underage person is participating in a compliance check supervised by any person authorized by the City or the State of Colorado to conduct compliance monitoring.

5.13.04~~26~~²⁷ Sales tax.

Each regulated cannabis business shall collect and remit City sales and use tax on all regulated cannabis, paraphernalia and other tangible property used or sold at the licensed premises as provided by the Grand Junction Municipal Code and other applicable law.

2431 **5.13.0438 Violations and Penalties.**

- 2432
- 2433 (a) The Authority shall hear all actions relating to the suspension or
- 2434 revocation of licenses pursuant to this Chapter. The Authority shall have
- 2435 the authority to impose disciplinary actions, sanctions, penalties upon a
- 2436 Licensee including but not limited to additional terms and conditions on
- 2437 the license, a fine in lieu of a suspension, a suspension or a revocation
- 2438 of a license issued by the Authority for any violation by the Licensee or
- 2439 by any of the agents or employees of the Licensee of any provision of the
- 2440 Colorado Marijuana Code, the City's Code, any rule or regulation adopted
- 2441 pursuant thereto, any building, fire, health or zoning statute, code, or
- 2442 ordinance, or any of the rules and regulations adopted pursuant thereto,
- 2443 in addition to any other penalties prescribed by this Code.
- 2444
- 2445 (b) In addition to the possible denial, suspension, revocation or nonrenewal
- 2446 of a license under the provisions of this Chapter, any person, including
- 2447 but not limited to, any Licensee, manager or employee of a regulated
- 2448 cannabis business, or any customer of such business, who violates any
- 2449 of the provisions of this Chapter, shall be guilty of a misdemeanor offense
- 2450 punishable in accordance with § 1.04.090 of this Code. A person
- 2451 committing a violation shall be guilty of a separate offense for each and
- 2452 every day during which the offense is committed or continued to be
- 2453 permitted by such person and shall be punished accordingly.
- 2454
- 2455 (c) The City shall commence suspension or revocation proceedings by
- 2456 petitioning the Authority to issue an order to the Licensee to show cause
- 2457 that the Licensee's license should not be suspended or revoked. The
- 2458 Authority shall issue such an order to show cause if the petition
- 2459 demonstrates that evidence exists to determine that one or more grounds
- 2460 exist to suspend or revoke the Licensee's license. The order to show
- 2461 cause shall set the matter for a public hearing before the Licensing
- 2462 Authority.
- 2463
- 2464 (d) The City Manager shall give written notice of the public hearing no later
- 2465 than fifteen days prior to the hearing by mailing, either electronically or
- 2466 by first class mail, the notice to the Licensee at the address contained in
- 2467 the Licensee's license. At the hearing, the Licensee shall have the
- 2468 opportunity to be heard, to present evidence and witnesses, and to cross
- 2469 examine witnesses presented by the City. The Authority shall have the
- 2470 power to administer oaths and issue subpoenas to require the presence
- 2471 of persons and the production of papers, books, and records necessary
- 2472 to the determination of any hearing that the Authority is authorized to
- 2473 conduct. The standard of proof at such hearings shall be a

preponderance of the evidence. The burden of proof shall be upon the City. The Authority shall be permitted to accept any evidence that the Hearing Officer finds to be relevant to the show cause proceeding.

(e) If the Authority, acting by and through the Hearing Officer, finds that a violation has occurred, the Authority may:

(1) Revoke the license for any period up to and including permanent revocation;

(2) Suspend the license for any period of time; (6 months?)

(3) Impose a fine or fine in lieu of suspension of at least \$500.00 but no more than \$100,000.00;

(4) Establish conditions that must be met before the license holder may apply for reinstatement of the license; and,

(5) The Authority may impose the costs to conduct a public hearing upon a Licensee who has violated any of the provisions prescribed by this Chapter.

(f) Payment of fines or costs pursuant to the provisions of this Chapter shall be in the form of a certified check or cashier's check made payable to the City of Grand Junction and paid within seven days of the imposed sanction.

(g) If the Authority finds that the license shall be suspended or revoked or a fine imposed in lieu of a suspension, the Licensee shall be provided written notice of such fine, suspension or revocation with the reasons therefore within 20 days following the date of the hearing.

(h) The Authority will establish factors to consider when determining the amount of fine to impose and adopt guidance a matrix of steps for penalties and/or fines amounts. That guidance ese factors and matrix will be used consistently for all imposed penalties. The Colorado State Marijuana Enforcement Penalty Schedule may be used as a guide to create the local sentencing schedule.

~~(i)~~(i) If a license is suspended, the Licensee must post notice that states the License is under suspension or revocation due to violation(s) of this Chapter, and that all sales of cannabis products are prohibited for the period of the suspension. The signage shall be prominently displayed at

all entrances on the premises for the entirety of the suspension or revocation.

~~(j)~~(k) When a License has been revoked, no new license shall be issued to the same Licensee for the period of two years after the revocation.

~~(k)~~(l) All Licensees are assumed to be fully aware of the law and the City shall not therefore be required to issue warnings before issuing citations for violation(s) of this Chapter.

~~(l)~~(m) If the Authority suspends or revokes a license or imposes a fine ~~in lieu of a suspension of the Licensee~~, the Licensee may appeal the fine, suspension or revocation to the Mesa County District Court pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The Licensee's failure to timely appeal the decision is a waiver of the Licensee's right to contest the fine imposed or the suspension or revocation of the Licensee.

~~(m)~~(n) No fee or portion thereof previously paid by a Licensee in connection with a license shall be refunded if the licensee's license is suspended or revoked.

5.13.0449 Remedies.

The City is specifically authorized to seek an injunction, abatement, restitution, or any remedy necessary to prevent, enjoin, remove or prosecute any violation or unlawful act under this Chapter, and any remedies provided for herein shall be cumulative and not exclusive and shall be in addition to any other remedies provided by law or in equity. Any and all action(s) shall be filed in the Municipal Court.

5.13.0450 No City liability; indemnification.

(a) By accepting a license issued pursuant to this Chapter, the Licensee waives and releases the City, its officers, elected officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of business owners, operators, employees, clients or customers for a violation of municipal, state or federal laws, rules or regulations.

(b) By accepting a license issued pursuant to this Chapter, all Licensees, jointly and severally if more than one (1), agree to indemnify, defend and hold harmless the City, its officers, elected officials, employees, attorneys, agents

and insurers against all liability, claims and demands on account of any injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the regulated cannabis business that is the subject of the license.

5.13.0~~46~~51 Severability.

This chapter is necessary to protect the public health, safety, and welfare of the residents of the City and covers matters of local concern or matters of mixed State and local concern as provided by § [44-11-101](#), C.R.S.

If any provision of this chapter is found to be unconstitutional or illegal, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severed or severable and shall continue in full force and effect.

5.13.0~~47~~52 Administrative regulations; Action by City Council.

(a) The City Manager is authorized to promulgate such rules, regulations, and forms as are necessary to effectuate the implementation, administration and enforcement of this Chapter.

(b) The City Council may consistent with the Charter and other applicable law amend this Chapter in order to stay current with applicable state laws, rules and regulations so long as no amendment, restriction, provision, rule or regulation shall be no less stringent than that imposed, if at all by Colorado law.

Introduced on first reading the _____ day of _____, 2022 and ordered published in pamphlet form.

Adopted on second reading this _____ day of _____ 2022 and ordered published in pamphlet form.

ATTEST:

C. B. ~~huck~~ McDaniel
President of City Council

Laura J. Bauer, Interim City Clerk
City Clerk

ORDINANCE NO. _____

AN ORDINANCE TO AMEND TITLE 5 CREATING CHAPTER 13 IN THE GRAND JUNCTION MUNICIPAL CODE TO INCLUDE CERTAIN MARIJUANA, ALSO KNOWN AS CANNABIS, USES, LICENSES AND REGULATIONS IN THE CITY OF GRAND JUNCTION, COLORADO.

RECITALS:

Federal law criminalizes the use and possession of marijuana as marijuana is categorized as a Schedule 1 controlled substance under the Controlled Substance Act. Federal law criminalizes knowing or intentional marijuana possession, even if a person has no intent to manufacture, distribute, or dispense marijuana.

On November 7, 2000, Colorado voters passed Amendment 20 which allows the use of marijuana in the state for approved patients with written medical consent. It allows the possession of up to two ounces of medical marijuana and cultivation of no more than six marijuana plants (three flowering plants) at a time for patients. Amendment 20 does not provide a legal manner for patients to obtain medical marijuana unless the patient grows the marijuana, or the marijuana is grown by the patient's primary caregiver.

On November 16, 2009, City Council, as an exercise of police powers, adopted Ordinance 4392 which declared a twelve-month moratorium on the licensing, permitting and operation of cannabis businesses in the City and provided penalties for any such violation. The moratorium applied to any person or entity applying to function, do business, or hold itself out as a medical cannabis dispensary in the City of Grand Junction, regardless of the person, entity, or zoning.

On June 7, 2010, Governor Ritter signed into law House Bill 10-1284 and Senate Bill 10-109 which, among other things, authorized the City to adopt an ordinance to license, regulate or prohibit the cultivation and/or sale of cannabis (C.R.S. 12-43.3-103(2)). The law also allowed a city to vote, either by a majority of the registered electors or a majority of the City Council, to prohibit the operation of medical cannabis centers, optional premises cultivation operations and medical cannabis infused products manufacturers.

On October 4, 2010, City Council adopted Ordinance 4437 which prohibited the operation of medical cannabis businesses and amended the Grand Junction Municipal Code by adding Section 5.14.010 which prohibited certain uses relating to cannabis. Ordinance 4437 also extended the moratorium established by Ordinance 4392 to January 1, 2011. Prior to Ordinance 4437 becoming effective, a protest petition was filed and found to be sufficient, and Ordinance 4437 was suspended from taking effect. On October 13, 2010, City Council adopted Ordinance 4446 which extended the moratorium to July 1, 2011.

At the April 5, 2011, City election, the electorate voted in favor of prohibiting the operation of medical cannabis businesses and the amendment of the Grand Junction Municipal Code by adding a section that prohibited cannabis (referred to as Measure A).

On November 6, 2012, Amendment 64 was passed by the voters, amending Article 18 of the Colorado Constitution by adding Section 16 which allowed regulated cannabis stores and made it legal for anyone 21 years or older to buy cannabis at such stores. In addition, Amendment 64 allowed anyone over 21 years of age to legally possess and consume up to one ounce of cannabis. Amendment 64 did not change the Federal law; it still remains illegal under Federal law to produce and/or distribute cannabis.

On February 6, 2013, City Council approved Resolution 07-13 adopting cannabis policies for the City and restrictions for persons or entities from applying to function, do business, or hold itself out as a cannabis facility, business, or operation of any sort in the City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited the operation of cannabis cultivation facilities, cannabis product manufacturing facilities, cannabis testing facilities, and regulated cannabis stores. Ordinance 4599 also amended Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibited certain uses relating to cannabis.

In late 2015, the City, Mesa County and Colorado Mesa University, by and through the efforts of the Grand Junction Economic Partnership (GJEP), were successful in establishing the *Colorado Jumpstart* business development program. One business that was awarded the first *Jumpstart* incentive planned to develop a laboratory and deploy its advanced analytical processes for genetic research and its ability to mark/trace chemical properties of agricultural products, one of which was cannabis. In October 2016, City Council passed Ordinance 4722 which amended Ordinance 4599 and Section 21.04.010 of the Grand Junction Municipal Code to allow cannabis testing facilities in the City.

On January 20, 2021, the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021, to repeal Measure A contingent on and subject to voter approval of taxation of cannabis businesses. A majority of the votes cast at the election were in favor of repealing the moratorium on cannabis businesses and in favor of taxation of cannabis businesses.

Accordingly, City Council has determined that certain cannabis businesses, subject to regulations adopted by the City, may operate within the City. City Council, with this ordinance, will amend the Grand Junction Municipal Code to provide rules and regulations for licensing and operating regulated cannabis businesses.

City staff and community members, including the Cannabis Working Group, have researched, reviewed, and discussed various approaches to taxation, permitting and regulation of cannabis. Regulations for cannabis uses have been established at the state level with the adoption and implementation of the Colorado Marijuana Code (C.R.S. 44-10-101, *et. seq.*); however, regulation of cannabis uses at the state level alone are not adequate to address the impacts of cannabis on the City.

In the interest of the public health, safety and welfare the City intends to regulate the location and other aspects of cannabis businesses in a manner that is consistent with constitutional and statutory standards. Limiting the concentration of any type of business in specific areas will tend to promote high-quality neighborhoods. The City desires to facilitate the provision of quality, regulated cannabis in a safe manner within the City. Regulation of the manner of operation and location of regulated cannabis businesses will further the health, safety, and welfare of both the public and the customers. Protection of the public health and safety will occur through reasonable limitations on business operations as they relate to air quality, integrating business operations with neighborhoods, minimum security standards for the businesses and their personnel, and other concerns. Sale of cannabis may impact health, safety, and community resources, and the proposed ordinance is intended to allow certain regulated cannabis businesses such that those businesses will have as minimal an impact and reduce potential negative impacts as reasonably is possible.

This ordinance amends the City's Code (also known as the GJMC) to include time, place, and manner restrictions for operating regulated cannabis businesses in the City while protecting the public health and safety through reasonable limitations on business operations. Regulated cannabis businesses may include retail and/or co-located retail and medical cannabis businesses.

Furthermore, this ordinance proposes the imposition of application and/or operating fees to defray some of the City's costs of licensing regulated cannabis businesses.

This ordinance also requires buffering (distance requirements) of cannabis businesses:

1,000 feet from any private or public elementary school, middle school, junior high school, high school, Colorado Mesa University and Western Colorado Community College; and

500 feet from any services for prevention, treatment or recovery from substance use and mental health concerns, as licensed by the Colorado Department of Human Services, Office of Behavioral Health (OBH).

Lastly, this ordinance creates a mechanism for monitoring compliance of regulated cannabis businesses in coordination with the laws of the State of Colorado.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

Title 5 Chapter 13 shall read as follows: (Additions to the GJMC are shown in **bold face type** – deletions or modifications are shown in ~~strikethrough~~.)

5.13.00 REGULATED CANNABIS

5.13.010 Purpose and legislative intent; incorporation of state law.

On January 20, 2021, the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021, to repeal Referred Measure A contingent on and subject to voter approval of taxation of cannabis businesses. The voters approved the April 2021 ballot measures and by and with such authority, City Council intends to regulate the use, possession, and distribution of cannabis in a manner that is consistent with Article XVIII, Sections 14 and 16 of the Colorado Constitution and the Colorado Marijuana Code, C.R.S. § 44-10-101, *et seq.* With the adoption of this Chapter, any provisions of the City's Code that conflicts with this Chapter shall be superseded.

Article XVIII, Section 16(5)(g) of the Colorado Constitution authorizes a system of state licensing for businesses engaging in the regulated sale of cannabis, collectively referred to as "regulated cannabis establishments". This provision allows a municipality within its jurisdiction to prohibit licensing of regulated cannabis establishments; regulate the time, place and manner in which regulated cannabis establishments may operate; and limit the total number of regulated cannabis establishments.

The authority of localities to prohibit or regulate regulated cannabis establishments within their respective jurisdictions, including the authority to engage in local licensing of cannabis establishments is also provided in various provisions of the Colorado Marijuana Code. The Colorado Marijuana Code, among other things, affords municipalities the option to determine whether to license certain regulated cannabis establishments within their respective jurisdictions. Consistent with its lawful authority this Chapter affirmatively authorizes licensing and regulating cannabis related businesses in the City of Grand Junction and to designate a local licensing authority to issue and process applications submitted for such licenses within the City.

This Chapter is adopted pursuant to the constitutional and statutory authority referenced above as well as the City's Charter and home rule authority to adopt and enforce ordinances under its police powers all in order to preserve the public health, safety and general welfare. By adopting this Chapter, the City intends to implement provisions of the Colorado Marijuana Code and any rules and regulations thereunder except to the extent that more restrictive or additional regulations may be set forth in herein.

Further, the purposes of this Chapter are to:

- 156 (1) provide time, place, and manner restrictions for operating a regulated
157 cannabis business in the City;
158
159 (2) protect public health and safety through reasonable limitations on business
160 operations as they relate to air quality, security for the business and its
161 personnel, and other health and safety concerns;
162
163 (3) promote high quality neighborhoods by limiting the concentration of
164 regulated cannabis businesses in specific areas;
165
166 (4) impose fees to defray some of the costs to the City of licensing regulated
167 cannabis businesses;
168
169 (5) adopt a mechanism for monitoring compliance with the provisions of this
170 Chapter;
171
172 (6) create regulations that address the particular needs of the residents, the
173 businesses, and the City and coordinate with laws enacted by the State of
174 Colorado regarding cannabis; and,
175
176 (7) issue regulated cannabis business licenses only to Applicants that
177 demonstrate the intent and capability to comply with the law.
178

179 This Chapter is to be construed to protect the interests of the public over the
180 interests of the regulated cannabis businesses. Operation of a regulated cannabis
181 business is a revocable privilege and not a right in the City. There is no property
182 right for any person and/or business to have a regulated cannabis license in the
183 City.
184

185 Nothing in this Chapter is intended to promote or condone the production,
186 distribution, or possession of cannabis in violation of any applicable law.
187

188 5.13.011 Applicability. 189

- 190 (a) This Chapter is known and may be cited as the “City of Grand Junction
191 Regulated Cannabis Code.” Reference to the City of Grand Junction
192 Regulated Cannabis Code, Code or Chapter and the applicable section(s)
193 thereof shall be sufficient when citing the provisions hereof in any legal
194 document, including but not limited to, summons, subpoena, pleading,
195 summons and compliant, and memorandum.
196
197 (b) This Chapter, together with all other titles and chapters of the Grand
198 Junction Municipal Code (hereinafter referred to as “GJMC”), shall govern

all applications submitted for licensing of any regulated cannabis business in the City on and after the effective date.

5.13.012 Applicability of state laws and other laws.

(a) Except as otherwise specifically provided herein, this Chapter incorporates and adopts the requirements and procedures set forth in the Colorado Marijuana Code and the provisions of the Colorado Rules and Regulations promulgated thereunder, as amended, relating to the definition of terms, licensing, sales, hours of sale, records, inspection, unlawful acts, and all other matters pertaining to regulated cannabis, as set out in full therein and herein. In the event of any conflict between the provisions of this Chapter and the provisions of the Colorado Marijuana Code or any other applicable state or local law, the more restrictive provision shall control. Licensees shall comply with and conduct their business in compliance with all applicable state and local laws, rules and regulations, and the terms and conditions of their license. Noncompliance with any applicable state or local laws, rules or regulations shall be grounds for suspension, revocation or non-renewal of any license issued hereunder and/or imposition of fine(s), and/or fine(s) in lieu of suspension, and other allowable sanctions.

(b) Compliance with any applicable state law or regulation shall be deemed additional requirements for issuance of any license and conduct of any business under this Chapter, and noncompliance with any applicable law or regulation shall be grounds for suspension, revocation or non-renewal of any license issued hereunder and/or imposition of fines and other allowable sanctions.

(c) If the state prohibits the sale or other distribution of cannabis through regulated businesses, any license issued hereunder shall be deemed immediately revoked by operation of law.

5.13.013 Definitions.

The definitions set forth in Article XVIII, Subsections 14(2) and 16(2) of the Colorado Constitution, as well as the definitions provided by the Colorado Marijuana Code, the Colorado Code of Regulations, and the Department of Revenue Regulated Marijuana Enforcement Division Rules and regulations as amended, are adopted herein unless by reference specifically amended hereby.

“Advertise” means the act of drawing the public’s attention, whether in print, signs, or electronic means, to a regulated cannabis business in order to promote the sale of cannabis by the business.

“Affiliated entity” or “affiliate” means a person as defined herein, having ownership or any level of control in common with an entity, in whole or in part, including without limitation, an entity’s parent corporation, franchisor, licensor and any subsidiary(ies) or affiliates or such corporation(s). Affiliate also means a person using the same trade name as another person.

“Appealing to minors” means any display on the internet, by audio, in print on a sign, or similar presentation visible to individuals under 21 years of age that contains visual, audio or print depictions of cartoon characters, caricatures, consumable products, individuals that seem under 21 years of age or engaging in activities not typical of adults. Visual, audio or print depictions of animals may be allowed so long as they do not violate other restrictions in the GJMC.

“Application fee” shall mean the fee paid to the City by each Applicant at the time of submitting an application to the City.

“Applicant” shall mean any person or entity who has applied for a license or renewal of a license issued pursuant to this Chapter. If the Applicant is an entity and not a natural person, Applicant shall include all persons who are the members, managers, officers, directors, and shareholders of such entity.

“Cannabis”, also known as marijuana, shall have the same meaning as the term “usable form of marijuana” as set forth in Article XVIII, Section 16(2)(f) of the Colorado Constitution or as may be more fully defined in any applicable State law or regulation. “Marijuana” may alternatively be spelled “marihuana”.

“Cannabis business” shall means regulated cannabis business as defined in this Chapter.

“Cannabis operator” means a medical cannabis business operator or a retail cannabis business operator.

“Cannabis paraphernalia” or “paraphernalia” shall mean devices, contrivances, instruments and paraphernalia for inhaling or otherwise consuming regulated cannabis, including, but not limited to, rolling papers, related tools, water pipes and vaporizers.

“Cannabis product” means medical cannabis product or retail cannabis product.

“Cannabis product manufacturer” means a medical cannabis products manufacturer or a retail cannabis products manufacturer.

284 **“Cannabis testing facility” means a medical cannabis testing facility or a retail**
285 **cannabis testing facility.**

286
287 **“City Attorney” means the City Attorney or the City Attorney’s designee.**

288
289 **“City Manager” means the City Manager or the City Manager’s designee.**

290
291 **“Colorado Marijuana Code” shall mean Title 44, Article 10, C.R.S. and any rules or**
292 **regulations promulgated thereunder.**

293
294 **“Company material” means any information printed or transmitted electronically**
295 **that includes the name and logo of a particular cannabis business(es) and**
296 **promotes the business or describes cannabis or cannabis product distributed by**
297 **the business(es). Company material may include promotion of the business to**
298 **potential employees over the age of 21, or investors, or instructions for use of any**
299 **cannabis or cannabis products distributed by the business(es).**

300
301 **“Coupon” means a printed voucher or token entitling the holder to a discount for**
302 **a particular product or service. Coupon does not include showing a government-**
303 **issued verification of age or military status, or registration for a charitable event,**
304 **or similar item the showing of which, without providing a separate printing to the**
305 **business, entitles the holder to a discount for a particular product or service.**

306
307 **“Distribution” or “distribute” means the actual, constructive, or attempted transfer,**
308 **delivery, sale, or dispensing to another, with or without remuneration.**

309
310 **“Educational material” means materials prepared by a governmental or non-profit**
311 **entity that are designed to provide information, facts, instructions, and warnings**
312 **related to the legal use or consumption of cannabis and cannabis products.**
313 **Educational materials do not include arguments for or against the legalization of**
314 **cannabis or encourage the use of cannabis or advertisements, including the name**
315 **and logo for any cannabis business.**

316
317 **“Entity” means a domestic or foreign corporation, cooperative, general**
318 **partnership, limited liability partnership, limited liability company, limited**
319 **partnership, limited liability limited partnership, limited partnership association,**
320 **nonprofit association, nonprofit corporation or any other organization or**
321 **association that if formed under a statute or common law of the state of Colorado**
322 **or any other jurisdiction as to which the laws of Colorado or the laws of any other**
323 **jurisdiction govern(s) relations among owners and between the owners and the**
324 **organization or association and that is recognized under the laws of the state of**
325 **Colorado or the other jurisdiction as a separate legal entity.**

327 **“Fees” means that fee(s) set and established by Resolution of City Council and**
328 **paid annually to the City by each Licensee. fees may be charged by the City for**
329 **costs including but not limited to licensing, inspection, administration, and**
330 **enforcement of cannabis businesses authorized pursuant to the Colorado**
331 **Constitution, the Colorado Marijuana Code, this Code, and any of the rules and**
332 **regulations adopted pursuant thereto.**

333
334 **“Financier” means any person who lends money or otherwise provides assets to**
335 **any person applying for license under this Chapter. If a financier is an entity rather**
336 **than an individual, the same disclosure shall be required for each entity with an**
337 **ownership interest until a managing member that is a natural person is identified.**
338 **Financier shall not include a bank, savings and loan association, credit union, or**
339 **industrial bank supervised and regulated by an agency of the state or federal**
340 **government, or any person in the business of leasing equipment or cannabis**
341 **business for which the rental amount does not include any percentage of the**
342 **business or its profits, or any person that has been qualified as a beneficial owner**
343 **(as defined by the Colorado Marijuana Code).**

344
345 **“Financial interest” shall mean any ownership interest(s).**

346
347 **“Good cause”, for the purposes of approving, refusing or denying the issuance or**
348 **renewal of a license, means:**

- 349
350 **a. The Licensee or Applicant has violated, does not meet, or has failed**
351 **to comply with any terms, conditions, or provisions of the Colorado**
352 **Marijuana Code, the City Code, any rule and regulation adopted**
353 **pursuant thereto, or any supplemental relevant state or local law, rule**
354 **or regulation related to the cultivation, processing, manufacture,**
355 **storage, sale, distribution, transportation, and research, or**
356 **consumption of any form of cannabis;**
357
358 **b. The Licensee or Applicant has failed to comply with any special term**
359 **or condition placed on the license by order of the state licensing**
360 **authority or the Local Licensing Authority;**
361
362 **c. Evidence the Licensee’s licensed premises has been operated in a**
363 **manner that adversely affects the public health, safety or the general**
364 **welfare of the City or the immediate neighborhood where the business**
365 **is located, which evidence may include a continuing pattern of**
366 **violations of the Colorado Marijuana Code, the City’s Code, or terms**
367 **and conditions of a license issued pursuant to this Chapter, a**
368 **continuing pattern of unlawful or violent activity occurring in the**
369 **location and in association with the operation of the business; or**

- 370 d. Evidence the Applicant or Licensee, or any officer, director, owner,
371 manager, agent or employee of the Applicant or Licensee is not of
372 good moral character.

373
374 **“Good moral character” means an individual who has a personal history**
375 **demonstrating honesty, fairness, and respect for the rights of other and for**
376 **conformance to the law which may include considerations of whether an individual**
377 **has:**

- 378
379 a. Ever had a professional or occupation license denied, suspended, or
380 revoked;
381
382 b. Ever had a business or sales tax license denied, suspended, or
383 revoked;
384
385 c. Ever surrendered, been denied, or had any type of cannabis related
386 license or permit placed on an administrative hold, suspended or
387 revoked;
388
389 d. Ever been denied any type of cannabis related business license;
390
391 e. Ever had a business temporarily or permanently closed for failure to
392 comply with any tax, health, building, fire, zoning or safety law;
393
394 f. Ever had any administrative, civil or criminal finding of delinquency
395 for failure to file or failure to pay state or local sales or use taxes or
396 any other taxes;
397
398 g. Ever been convicted of or pled guilty or no contest to a crime of moral
399 turpitude; or
400
401 h. Within the previous five years been convicted of any misdemeanor,
402 petty offense or any local ordinance violation related to the cultivation,
403 processing, manufacture, storage, sale, distribution, transportation,
404 testing, research, or consumption of any form of cannabis, drug or
405 controlled substance; or within the previous five years been convicted
406 of a non-drug related felony; or, at any time, been convicted of a felony
407 related to the cultivation, processing, manufacture, storage, sale,
408 distribution, transportation, testing, research, or consumption of any
409 form of cannabis, drug or controlled substance.

410
411 **“Handbill”, “leaflet” or “flyer” means a flat or folded sheet of printed material that**
412 **is a notice, advertisement, or announcement, usually for distribution by hand, for**

free, either directly to an individual or by placement on vehicles or other locations. Handbill, leaflet, or flyer does not include educational materials without the name or logo of a cannabis business, or information made available within the licensed premises of a cannabis business.

“Immature plant” means a nonflowering cannabis plant that is no taller than eight inches and no wider than eight inches; is produced from a cutting, clipping, or seedling; and is in a cultivating container.

“Incidental to sponsorship of charitable events” means the printing of the names of all sponsors of a particular charitable event by the event organizer on advertisements, banners, clothing, programs, or similar items. Incidental to sponsorship of charitable events does not include the placement of a booth(s) or distribution of material(s) that does not list or is for the use of all sponsors of the event.

“License” shall mean to grant a revocable privilege to lawfully operate in the City a cannabis related business activity authorized pursuant to the Colorado Marijuana Code and this Chapter.

“License fee” shall mean that fee set and established by Resolution of City Council and paid annually to the City by each Licensee.

“Licensed premises” means the premises specified in an application for a license or permit authorized pursuant to the Colorado Marijuana Code and this Chapter, which are owned or in the legal possession of the Licensee and within which the Licensee is authorized to cultivate, manufacture, distribute, research, sell, store, transport, or test cannabis, cannabis products, and cannabis concentrates in accordance with all applicable laws.

“Licensee” means any person licensed or granted a permit pursuant to the Colorado Marijuana Code or this Chapter, including the cannabis business named on the cannabis business license and all individuals named in the cannabis business license application or later reported to the City, including without limitation, owners, managers, financiers, and individuals owning any part of the entity that holds a financial or ownership interest in the cannabis business.

“Local Licensing Authority” also known as “Cannabis Licensing Authority” (“Authority”) means an authority designated by the City Council.

455 **“Manager” means:**

456 **a. A member of a limited liability company in which management is not**
457 **vested in managers rather than members;**

458 **b. A manager of a limited liability company in which management is**
459 **vested in managers rather than members;**

460 **c. A member of a limited partnership association in which management**
461 **is not vested in managers rather than members;**

462 **d. A manager of a limited partnership association in which management**
463 **is vested in managers rather than members;**

464 **e. A general partner;**

465 **f. An officer or director of a corporation, a nonprofit, a cooperative, or a**
466 **limited partnership association; or**

467 **g. Any person whose position with respect to an Entity, as determined**
468 **under the constituent documents and organic statutes of the Entity,**
469 **without regard to the Person’s title, is the functional equivalent of any of**
470 **the positions described in this definition.**

471 **“Minor” means a person under 21 years of age.**

472 **“Modification of premises” means a change to a regulated cannabis business that**
473 **requires a building or other permit from the City or changes any part of the plans**
474 **required as part of the application for the cannabis business license. Modification**
475 **of premises does not include routine maintenance, including replacement of**
476 **lightbulbs or filters, painting, cleaning or replacement of non-mechanical items**
477 **such as windows and flooring so long as the maintenance does not result in a**
478 **change to the plans required as part of the application.**

479 **“Owner” means the person or persons whose beneficial interest in a regulated**
480 **cannabis business bears a risk of loss other than an insurer, has an opportunity to**
481 **gain profit from the operation or sale of the business and has a controlling interest**
482 **in a cannabis businesses, business entity or license, and includes any other**
483 **person(s) that qualifies as an owner pursuant to state law, rules or regulations.**

484 **“Person” shall mean a natural person, partnership, association, company,**
485 **corporation, limited liability company or other organization or entity or a manager,**
486 **agent, owner, officer or employee thereof.**

“Place open to the general public” means any property owned, leased, or used by a public entity, and any place on private property open to the public, common area of buildings, private clubs, vehicles, those portions of any private property upon which the public has an express or implied license to enter or remain, and any place visible from such places.

“Possess” or “possession” means having physical control of the premises in which an object is located or having the power and intent to control an object, without regard to whether the one in possession has ownership of the object. Possession may be held by more than one person at a time. Use of the object is not required for possession. The owner of a regulated cannabis business shall be considered in possession of the regulated cannabis business at all times. The manager of a regulated cannabis business shall be considered in possession of the regulated cannabis business at all times that the manager is on the premises of the business or has been designated by the owner as the manager in the absence of the owner in accordance with this Chapter.

“Premises” means a distinct and definite location, which may include a building, a part of a building, a room, or any other defined contiguous area.

“Regulated cannabis businesses aka “Regulated marijuana businesses” means:

any Medical Marijuana Business and Retail Marijuana Business as defined by Colorado law.

The term regulated cannabis business shall not include the private cultivation, possession, or use within a person’s residence of no more than:

(a) six plants in an enclosed, locked space, or

(b) one ounce of cannabis; or

(c) the cannabis derived from no more than six plants on the premises where the plants were grown if the plants were grown in an enclosed, locked space.

“Regulated cannabis plant” means a cannabis seed that is germinated and all parts of the growth therefrom, including, without limitation, roots, stalks, and leaves. Cannabis plant shall include immature plants except where specifically exempted in this Code. For purposes of this Chapter, the portion of regulated cannabis plant harvested from the plant or converted to a usable form of regulated cannabis for medical use is not considered part of the plant upon harvesting.

“Restricted area” means the portion of a cannabis business within which the “Licensee” defines on its application it intends to distribute, possess, or produce regulated cannabis and which area is clearly identified as the restricted area on the

522 floor plan submitted with the cannabis business license application for the
523 business.

524 “Safe” means a metal box, attached to the building structure, capable of (a) being
525 locked securely by either a mechanical or electronic combination lock that is
526 protected by a case hardened drill resistant steel plate or drill resistant material of
527 equivalent strength; (b) having door hinges that prevent the removal of the door,
528 including but not limited to hinges that are not exposed to the outside, interlocking
529 door designs, dead bars, jeweler’s lugs and an active locking bolts; (c) being
530 constructed in a manner to prevent opening by human or mechanical force, or
531 through the use of common tools, including but not limited to hammers, bolt
532 cutters, crow bars or pry bars; and (d) being certified by the manufacturer to be
533 adequate for securely storing the quantity of monetary funds and physical
534 cannabis product of the cannabis business.

535 “Violation of any law” means a plea or finding of a violation of any law in a criminal,
536 civil, or administrative proceeding whether part of a plea agreement, settlement
537 agreement or determination by an arbitrator, hearing officer, court, or jury.

538 5.13.014 License Required. 539

540 (a) It shall be unlawful for any person to engage in any form of business or
541 commerce or activity involving cultivation, processing, manufacturing,
542 storage, sale, distribution, transportation, testing, research or consumption
543 of any form of cannabis or cannabis products other than those forms of
544 business and commerce activities that are expressly contemplated by
545 Sections 14 and 16 of Article XVIII of the Colorado Constitution, Colorado
546 Marijuana Code, this Code, or other applicable provisions of the GJMC.
547

548 (b) It shall be unlawful for any person to operate a regulated cannabis business
549 in the City without a license to operate issued pursuant to the requirements
550 of this Chapter while concurrently holding a license in good standing from
551 the state and in compliance with any and all applicable laws.
552

553 (c) No regulated cannabis business shall operate without obtaining any other
554 license(s) or permit(s) required by any federal, state, or local law, by way of
555 example, a regulated sales and use tax license, a retail food business
556 license, or any applicable zoning or building permit. No two or more different
557 regulated cannabis businesses may be treated as one premise unless
558 approved as co-located businesses. Retail and medical cannabis may be
559 co-located; however, if not co-located medical licenses will not be separately
560 considered in accounting for the 10 (ten) license cap.
561

(d) The license(s) required to lawfully conduct business must be in full force and effect, all applicable fees and taxes have been paid in full, and all conditions of the license application be satisfied in order to conduct business. Each and every license applies to the person/entity named thereon and the activity(ies) authorized by the license and the location where the sale and/or possession occurs. Failure to maintain a current, valid license shall constitute a violation of this Chapter.

(e) It shall be unlawful for any person to exercise any of the privileges granted by a License other than the person(s) issued the License.

(f) It shall be unlawful for any person(s) granted a license to allow any other person to exercise any privilege granted under the License.

(g) It shall be unlawful for any person to operate any cannabis business in the City without a License issued by the City and the State licensing authorities pursuant to the Colorado Marijuana Code, this Chapter and other applicable provisions of the GJMC and applicable law.

(h) The issuance of a City license pursuant to this Chapter does not create an exception, defense, or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution, storage, transportation or possession of cannabis.

(i) All persons who are engaged in or who are attempting to engage in the distribution, and/or sale of regulated cannabis in any form shall do so only in strict compliance with the terms, conditions, limitations, and restrictions in Section 14 and 16 of Article XVIII of the Colorado Constitution, state law, the Colorado Marijuana Rules, the GJMC , and all other laws, rules, and regulations.

5.13.015 Licensing Authority (Cannabis Licensing Authority).

For the purpose of regulating and controlling the licensing and the sale of regulated cannabis in the City, there is hereby created a local licensing authority appointed by the City Council, hereafter referred to as Authority. The Authority shall act in conjunction with the City's Liquor and Beer Licensing Authority.

(a) Structure of Authority.

1. **Hearing Officer.** A Hearing Officer for the Authority shall be appointed by, and serve at the pleasure of, the City Council. Alternate hearing officer(s) may be appointed to serve if the Hearing Officer is absent and/or a conflict exists for which the Hearing Officer must be recused.

- 603
- 604 i. The Hearing Officer shall be a resident of the City and have an
- 605 active license to practice law in the State of Colorado.
- 606
- 607 ii. Duties of the Hearing Officer. The Hearing Officer shall:
- 608
- 609 1. Conduct all hearings required under this Chapter, rules
- 610 and regulations, and codes construing and implementing
- 611 the same.
- 612
- 613 2. Conduct all hearings for initial licenses, renewal of
- 614 licenses, for proposed changes of ownership of licenses
- 615 and changes of the corporate structure of license, and for
- 616 proposed changes of location of licensed premises or
- 617 modification of premises.
- 618
- 619 3. Conduct all hearings brought under such codes when
- 620 violations of the codes or the regulations under the codes
- 621 have been alleged to have occurred and to impose
- 622 penalties against Licensees in the manner provided by
- 623 this Chapter on its own motion or on complaint by the
- 624 City Attorney for any violation by the Licensee after
- 625 investigation and public hearing at which the Licensee
- 626 shall be afforded an opportunity to be heard.
- 627
- 628 4. Promulgate rules and regulations concerning the
- 629 procedures for hearings before the Authority.
- 630
- 631 5. Require any Applicant or Licensee to furnish any relevant
- 632 information required by the Authority.
- 633
- 634 6. Grant or deny motions, make findings and orders,
- 635 administer oaths and issue subpoenas to require the
- 636 presence of persons and the production of papers, books
- 637 and records at any hearing which the Authority is
- 638 authorized to conduct.
- 639
- 640 iii. The Hearing Officer may be removed by the City Council for
- 641 nonattendance to duty or for cause. If the Hearing Officer fails
- 642 to attend three (3) consecutive meetings of the Authority, he/she
- 643 shall be removed from the Hearing Officer position unless the
- 644 City Council excuses any such absences.
- 645

646 2. The City Manager shall serve as the secretary of the Authority and shall provide
647 or cause to be provided the necessary administrative and reporting services for
648 the Authority. The City Manager shall accept and process applications, schedule
649 hearings for the Authority, provide public notice for the hearings, prepare the
650 hearing room, be present at all hearings, ensure the hearings are recorded, take
651 meeting minutes and any other duties as necessary. The City Manager shall be
652 present at all hearings.

653
654 3. The City Attorney shall serve as legal advisor for the Authority and shall be
655 present at all hearings providing legal assistance to the Hearing Officer and the
656 City Manager.

657
658 (b) Powers of the Authority.

659
660 i. The Authority shall have and is vested with authority to grant or
661 to refuse a license application or renewal. The Authority may
662 order special terms and conditions on licenses in the event of
663 an emergency or as temporarily required to protect the public
664 health, safety and wellbeing without the need for a public
665 hearing. Notice of such action and for a public hearing before
666 the Authority on the matter shall be provided to the Licensee.

667
668 ii. The Authority shall have all the powers provided in this Chapter,
669 and as set forth in C.R.S. 44-10-301 *et. seq.* and the Colorado
670 Marijuana Rules, and the regulations promulgated thereunder.

671
672 iii. The Authority may promulgate such rules and regulations as
673 it deems necessary for the proper administration and
674 enforcement of this Chapter, provided that the same are not in
675 conflict with the Colorado Marijuana Code, Colorado
676 Constitution, and the Colorado Department of Revenue
677 Enforcement Rules.

678
679 iv. The Authority may exercise all other powers and duties as are set
680 forth in the Colorado Marijuana Code, the Colorado Constitution,
681 the Colorado Department of Revenue Marijuana Enforcement
682 Division Rules, the GJMC and any rule or regulation adopted
683 pursuant thereto.

684
685 v. Under any and all circumstances in which Colorado law requires
686 communication to the City by the State licensing authority or any
687 other State agency in regard to any license authorized by this
688 Chapter, or in which State law requires any review or approval by
the City of any action taken by the State licensing authority, the
exclusive department in the City for receiving such

communications and granting such approvals shall be the Authority.

(c) Action of the Authority.

- 1, The Authority may issue subpoenas to require the presence of persons and the production of papers, books and records necessary to the determination of any hearing the Authority is authorized to conduct.
2. The Authority, acting by and through the Hearing Officer, may suspend, or revoke licenses granted under this Chapter for cause or as set forth in this Chapter or as applicable law may provide.
3. The Authority, acting by and through the Hearing Officer, may summarily suspend a license issued pursuant to this Chapter without notice pending any prosecution or public hearing for a period not to exceed 15 days when the Authority determines a Licensee or an agent or employee of the Licensee has violated the Colorado Marijuana Code, the Colorado Department of Revenue Enforcement Division Marijuana Rules, the Colorado Constitution, the City's Code, or any rule and regulation related to the storage, sale, distribution, transportation, testing, or consumption of any form of cannabis, or when the public health, safety or wellbeing imperatively requires emergency action, and incorporates such findings in the notice for a public hearing before the Authority on the matter.

(d) Nothing in this Chapter shall be construed to limit a law enforcement agency's ability to investigate unlawful activity in relation to a License issued pursuant to this Code.

(e) Authority Hearing procedures.

1. Hearings shall be scheduled as determined by the Authority and generally with the same frequency as the Liquor and Beer Licensing Authority or at special meetings as scheduled by the Authority.
2. The Hearing Officer may establish such procedures and local rules to be followed in actions before her/him. Such procedures shall include the following:
 - i. Control the mode, manner and order of all proceedings and hearings.
 - ii. The adoption of rules, procedures, and policies for its own proceedings and for filing applications and requests.

732
733 iii. The adoption of application forms and submission requirements,
734 including a requirement that applications, complaints and other
735 documents be filed in a digital format approved by the Authority and
736 to refuse applications, complaints and other documents not filed in
737 the approved digital format.

738
739 iv. To perform any act that the Authority is authorized to perform by law.

740
741 v. To promulgate such rules and regulations deemed necessary to
742 properly administer and enforce this Chapter, and to exercise all other
743 powers and duties as set forth in this Chapter, as well as those set forth
744 in the Colorado Marijuana Code and Subsection 5(f) of Section 16 of
745 Article XVIII of the Colorado Constitution. The Authority shall provide all
746 proposed rules and subsequent changes thereto, to City Council for
747 approval by Resolution.

748
749 vi. Powers in the conduct of hearings. The Hearing Officer shall conduct
750 hearings under and in accordance with this Chapter, local rules and
751 procedures, and the Colorado Marijuana Code.

752
753 vii. Contempt. In the event that any person, in the immediate presence of the
754 Authority or within its sight or hearing, while the Authority is in session
755 during a hearing, commits a direct contempt of the Authority by speech,
756 gesture or conduct which disobeys a lawful order of the Authority, shows
757 gross disrespect to the Authority tending to bring the Authority into public
758 ridicule, or substantially interferes with the Authority's proceedings, the
759 Authority may hold such person in contempt. Contemptuous conduct by any
760 principal, registered manager or employee shall be imputed to the Licensee.
761 The Authority may impose the following sanctions for contempt:

- 762
763 1. Removal of the person committing the contempt from the
764 proceedings, the hearing room and its environs;
765
766 2. Public censure, which shall be made a matter of the
767 Licensee's record and may be used as an aggravating factor
768 in determining any fine, suspension, revocation or renewal;
769
770 3. A prohibition against the individual or the Licensee
771 introducing into the record testimony, documents, exhibits
772 or other evidence;
773

- 774 4. An order striking, disregarding and refusing to consider
775 pleadings, applications, documents, objections, testimony,
776 exhibits or other evidence or arguments already introduced
777 by such person;
778
779 5. A fine, enforced by suspension of the License until the fine
780 is paid;
781
782 6. Default of any motion, compliant or other action then
783 pending against the Licensee; and/or
784
785 7. Denial of any application by the Licensee then pending
786 before the Authority.
787

788 **viii. Determinations with respect to hearings.**
789

- 790 1. The Hearing Officer shall make his/her determination after
791 hearings in accordance with this Code, the Colorado
792 Marijuana Code and established legal principles. The
793 decision of the Hearing Officer shall be final, and appeal from
794 that decision shall be to the District Court of the 21st Judicial
795 District.
796
797 2. Actions taken by the Authority are subject to review by the
798 courts pursuant to Rule 106(a)(4) of the Colorado Rules of
799 Civil Procedure. Any person applying to the Court for review
800 shall be required to pay the cost of preparing a transcript of
801 proceedings before the Authority whenever such a transcript
802 is necessary for purposes of an appeal.
803

804 **3. Appeals of Hearing Officer Decision(s).** If the Authority imposes a condition on
805 the license and/or suspends or revokes a license or imposes a fine, the Licensee
806 may appeal the Authority's order to the Mesa County District Court pursuant to
807 Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The Licensee's failure to
808 timely appeal any decision/order of the Authority is a waiver of the Licensee's right
809 to contest the decision/order. Any person applying to the court for review shall be
810 required to pay the cost of preparing a transcript of proceedings before the
811 Authority whenever such a transcript is necessary for the purposes of the appeal.
812 **5.13.016 Application process/requirements.**

813 **(a) Applications.** All applications for any license authorized by this Chapter
814 shall be submitted to the City Manager upon forms provided by the
815 Authority and shall include supplemental materials as required by this

Chapter, the Colorado Marijuana Code, and any rules and regulations adopted pursuant thereto. To the extent any of the foregoing materials have been included with the Applicant's state license application and forwarded to the City by the State, the Authority may rely upon the information forwarded by Applicants without requiring resubmittal of the same materials in conjunction with the local license application.

(b) The Authority may, at the Authority's discretion, require additional information and/or documentation for the consideration of the application as it may deem necessary to enforce the requirements of the Colorado Marijuana Code and this Chapter.

(c) The general procedures and requirements of licenses, as more fully set forth in Chapter 5.04 of the Grand Junction Municipal Code, shall apply to regulated cannabis business licenses. To the extent of conflict between the provisions of this Chapter and Chapter 5.04, the provisions of this Chapter shall control for regulated cannabis licenses.

(d) Initial Application.

1. Complete Application. The City Manager shall receive all Applications for a license authorized by this Chapter. The City Manager will review and, if demonstrated from the Application, find an Application to be complete if the Applicant, on forms provided by the City, provides materials and information demonstrating that all requirements for licensure can or will be met by the Applicant at the time of licensure as provided in this section and in § 05.13.024 of this Code.

2. No person or entity, to include an affiliate(s)/affiliated entity, shall apply for more than one license for any location in the City, unless applying for a co-located (medical and retail) licensure.

3. The Applicant provides an application for only one license at one location for each class of cannabis business license authorized by this Chapter. A co-located medical and retail cannabis business location shall be deemed one license. A location for a license shall be established and determined by lawful street addressing. A unit(s) in a building that is not separately, legally created and addressed is(are) not a separate location(s).

4. The Applicant has registered with the Authority the name(s) of the manager(s) of the cannabis business, and has provided to the Authority the names of all persons having 10% financial and/or ownership interest, in the cannabis business that is subject of the Application or, if the Applicant is an Entity, having a financial interest in the Entity together with the following:

- 855 i. Name, address, date of birth;
- 856
- 857 ii. Acknowledgment and consent that the City may conduct a
- 858 background investigation, including a criminal history check,
- 859 and the City will be entitled to full and complete disclosure of
- 860 all financial records of the regulated cannabis business and of
- 861 any or all financial interests thereof, including records of
- 862 deposit, withdrawals, balances and loans;
- 863
- 864 iii. If the Applicant is an Entity, information regarding the Entity,
- 865 including without limitation, the name and address of the Entity,
- 866 its legal status, and proof of registration with, or a certificate of
- 867 good standing from, the Colorado Secretary of State, as
- 868 applicable;
- 869
- 870 iv. If the Applicant is not the owner of the proposed licensed
- 871 premises, a notarized statement from the owner of such
- 872 property authorizing the use of the property for a cannabis
- 873 business and specifying the type of regulated cannabis
- 874 business(es) permitted;
- 875
- 876 v. A copy of the deed reflecting the Applicant's ownership of, or
- 877 the lease or contract reflecting the legal right of the Applicant
- 878 to possess the proposed licensed premises for no less than
- 879 three years;
- 880
- 881 5. The Applicant must disclose in writing any financial interests,
- 882 including individuals and/or entities.
- 883
- 884 6. The Applicant must disclose in writing if the named owner(s),
- 885 member(s), manager(s), Financer(s), agent(s), or person(s) named on the
- 886 Application has(have) been:
- 887
- 888 i. Denied an application for a cannabis business license pursuant
- 889 to this Chapter, or any state or local licensing law, rule, or
- 890 regulation, or had such a license suspended or revoked.
- 891
- 892 ii. Denied an application for liquor license pursuant to Title 44,
- 893 Article 47 or Article 46, C.R.S. or any similar state or local
- 894 licensing law, or had such a license suspended or revoked.
- 895
- 896 1. In the event an owner, member, agent, manager, financier,
- 897 or other person named on the Application contains

898 information regarding violations of any law or previous
899 denial or revocation of a license, that person must include
900 with the Application any information regarding such
901 violation(s), denial, or revocation. Such information must
902 include, but is not limited to, a statement of the violation(s)
903 and penalty(ies) for such violation(s), evidence of
904 rehabilitation, character references, and educational
905 achievements, and other regulatory licenses held without
906 compliance violations, especially those items pertaining
907 to the period of time between the Applicant's last violation
908 of any law and the date of the application.
909

910 2. The City may, prior to issuance of the certificate of
911 occupancy for the cannabis business, perform an
912 inspection of the proposed licensed premises to
913 determine compliance with any applicable requirements
914 of this Chapter or other provisions of this Code, the
915 International Fire Code or the International Building Code.
916

917 7. The Applicant must provide affirmation in writing that the Applicant
918 officers, directors, other owners, any person having a direct or indirect
919 financial interest in the business, and agents or employees of the
920 Applicant are of Good Moral Character considering the factors in the
921 Colorado Marijuana Code, this Chapter, and rules and regulations
922 adopted pursuant thereto ; have no felony convictions in the last five
923 years, no drug related local ordinance, petty offense or misdemeanor
924 convictions in the last five years, and no drug related felony convictions.

925 8. The Applicant must provide affirmation in writing that the Applicant's
926 principal officers, directors, members, or owners who now, or at any time
927 in the past, have had 10% or more ownership in any cannabis business
928 have not had, or the business has not had, a cannabis license suspended
929 or revoked by the State of Colorado or any other state, or any other
930 jurisdiction's local authority or other controlling authority;

931 9. The Applicant must submit a *Findings of Suitability* form.

932 10. The Applicant must provide written proof of a binding quote for
933 insurance as provided by § 5.13.030 of this Chapter;

934 11. The Applicant shall provide a written zoning and buffering verification
935 from Community Development Department Director that states the
936 location proposed for licensing complies with any and all zoning and land
937 use laws of the City, and any and all restrictions on location set forth in
938 this Code. If the Director makes a determination that the proposed license

location would be in violation of any zoning law or other restriction on location set forth in the GJMC and/or any Administrative Regulation(s) construing the same, then the Director shall, no later than 10 working days from the date the Applicant requested the zoning and buffering verification, notify the Applicant in writing that the proposed license location cannot be verified to be in compliance. As provided by the GJMC, the Applicant may appeal the Directors decision.

12. The Applicant must provide a written operating plan that includes, but is not limited to, the items in § 5.13.036.

13. The Applicant must provide a written security plan indicating how the Applicant will comply with the requirements set forth in the Colorado Marijuana Code, this Chapter, and any other applicable law, rule, or regulations pursuant thereto. If drive thru cannabis service is contemplated, a description of security measures to prevent and address diversion of cannabis to youth and potential criminal behavior and is required a zoning/land use permit. The security plan includes specialized details of security arrangements and will be protected from disclosure as provided under the Colorado Open Records Act § 24-72-203(2)(a)(VIII), C.R.S. If the City finds that such documents are subject to inspection, it will provide notice to the Applicant as provided by the Colorado Open Records Act.

14. The Applicant must provide a written plan for preventing underage persons from entering the premises.

15. The Applicant must provide a written plan for disposal of any regulated cannabis that is not sold in a manner that protects any portion thereof from being possessed or ingested by any person or animal.

16. The Applicant must provide a written plan for ventilation of the regulated cannabis business that describes the ventilation systems that will be used to prevent unreasonable odor of cannabis off the premises of the business;

17. The Applicant must provide any supplemental materials required to be provided by the State in order to receive a State-issued cannabis business license pursuant to the Colorado Marijuana Code and rules adopted pursuant thereto.

18. The Applicant must provide any supplemental materials to comply with City laws and any additional information that the Authority reasonably determines to be necessary in connection with the investigation and review of the Application.

19. The Applicant shall provide affirmation in writing that it has and will satisfy and continuously meet, if a license is awarded, all the terms, conditions, provisions, and requirements imposed upon the Applicant or the Licensee by the applicable provisions of the Colorado Marijuana Code, the City's Code, and all the rules and regulations adopted pursuant thereto, and all applicable building, fire, health or zoning, codes, ordinances, rules or regulations adopted pursuant thereto related to the cultivation, processing, manufacture, storage, sale, distribution, testing, research, transporting, or consumption of any form of cannabis.

20. The Applicant shall provide affirmation in writing the license application contains no fraudulent, misrepresented, or false statements of a material or relevant fact.

21. The Applicant shall pay all applicable application and licensing fees.

22. The Applicant provides affirmation in writing that it or the Licensee is not overdue on his/her/its payment of any taxes, fines, interest, penalties or collection costs assessed against or imposed upon such Applicant in any business matters, affairs or dealings of the Applicant in any state, county, municipality on which the Applicant conducts business.22.

23. The Applicant provides affirmation in writing that the Applicant will, if selected for licensure, make all the improvements to the licensed premises as required by the GJMC or will have a plan and timeline to improve the proposed license location so that the cannabis business operations shall begin within six months of the issuance of the License.

24. The Applicant affirms in writing, the Applicant is not a sheriff, deputy, police officer, prosecuting officer, or an officer or employee of the state; and,

25. The Applicant affirms in writing, the Applicant is not a person whose authority to be a primary caregiver as defined in § 25-1.5-106(2), C.R.S., has been revoked by the state health agency.

(e) Incomplete Application. Upon review of an application, the City Manager shall provide a notice of initial determination to the Applicant in writing as to whether the Applicant's application is complete.

(f) Denial of initial application. The City Manager may deny any application that does not meet the requirements of this Chapter, the Colorado Marijuana Code, or any other applicable state or City law or regulation. In addition to prohibitions on persons as licensees found in the Colorado Marijuana Code, should the Applicant fail to affirm any information or representation(s) as required by 5.13.016(d), or the City discovers

evidence that any affirmation was contrary, false, misleading or incomplete, such shall constitute full and adequate grounds for denial of any application.

1. Notice of denial. If, after investigation and discovery, the City Manager determines that the application will be denied, the City Manager shall:

- a. Provide notice in writing to the Applicant that the Application is denied and reasons for the denial;
- b. Notify the State in writing of the City Manager's decision to deny the application.

2. Appeal of denial. An Applicant may appeal the City Manager's decision of denial by submitting a written request on a form provided by the City, received by the City Manager within 20 days of the date on the written notice of denial. The appeal request shall include any legal and factual support for the appeal. An appeal hearing will be set before the Hearing Officer for a written appeal. The Hearing Officer shall only review and consider those issues specifically addressed in the written appeal.

5.13.017 Randomized selection process.

(a) All applications that are confirmed to be complete and in accordance with all applicable laws and regulations by the Hearing Officer shall enter the randomized selection process if there are more such applications than available licenses. In the event the number of confirmed applications is the same or fewer than the number of available license(s), the randomized selection process will not occur.

(b) The random selection from qualified applications will be held by the Authority at City Hall, 250 N. 5th Street, Grand Junction, CO 81501. The random selection will be conducted publicly. Entrants need not be present at the selection.

(c) All qualified applicants will be placed within the selection container and randomly selected and assigned a number in the order they are drawn from first to last.

(d) Following the assignment of a random number, the numbers are placed back in the selection container and ten numbers will be randomly selected and such Applicants will have an opportunity to be issued a cannabis business license. The Authority will notify those selected in writing within seven (7) days of selection by United States mail return receipt requested at the address set forth in the application.

(e) Those selected shall have the opportunity to operate a regulated cannabis business at the location specific to its Application and so long as it commences operations as specified in §5.13.017(d)(12). If any Applicant(s) selected at the random selection does not commence operations of the business, then another random selection process will occur in the same format as provided by this Code.

(f) If less than ten Applicants are eligible to be randomly selected for issuance of a cannabis business license then no randomized selection process shall occur.

(h) In no event may a qualified Applicant sell its position in the randomized selection process nor may an Applicant selected for licensure be allowed to sell, transfer or otherwise assign its position/license to any other person or entity. (See, §§5.13.029 and 030)

5.13.018 Investigation and fingerprinting of Applicant.

Prior to the acceptance of applications for a License, transfer of ownership, change of corporate structure, or other permit as provided in this Chapter, the Colorado Marijuana Code and the Colorado Marijuana Rules, the following individuals shall provide verified fingerprint information to the Grand Junction Police Department:

(a) If the Applicant is a natural person, that person;

(b) If the Applicant is a partnership, all of the partners; and

(c) If the Applicant is a corporation, both the officers and directors, together with any person owning more than 10% of the stock thereof.

5.13.019 Duty to supplement.

(a) If, at any time before or after a license is issued pursuant to this Chapter, any information required by the Colorado Marijuana Code, or any rule and regulation adopted pursuant thereto, changes from that which is stated in the application, the Applicant or Licensee shall supplement its application with the updated information within ten days from the date upon which such change occurs.

(b) An Applicant or Licensee has a duty to notify the Authority of any pending criminal charge(s) and any criminal conviction(s) by the Applicant, Licensee, any owner, officer, director, manager, agent or employee of the Applicant or Licensee within ten days of the event.

(c) An Applicant or Licensee has a duty to notify the Authority of any pending violation of, and any conviction for, a violation of any building, fire, health

1089 or zoning statute, code or ordinance related to the cultivation,
1090 processing, manufacture, transportation, storage, sale, distribution,
1091 testing, research, or consumption of any form of cannabis by the
1092 Applicant, Licensee, any owner, officer, director, manager, agent or
1093 employee of the Applicant or Licensee within ten days of the event.

1094 **5.13.020 Number of licenses.**

1095 (a) No more than ten regulated cannabis business licenses, excluding any
1096 cannabis testing facilities and any medical cannabis business license(s) co-
1097 located with a Retail Cannabis business license, shall be issued.

1098 (b) Included within the 10 license limit referenced above in (a), no more than
1099 two cannabis business licenses may be issued in the Horizon Drive
1100 Association Business Improvement District, which is described as all
1101 commercial property bounded on the south by G Road, north on Horizon
1102 Drive through and including H Road, bounded on the west by 27 Road/15th
1103 Street, and on the east by 27 ½ Road northeast to Walker Field Airport
1104 Authority. The boundaries of the Horizon Drive Association District include,
1105 but are not limited to, Horizon Court, Compass Drive Association,
1106 Crossroads Boulevard, Crossroads Court, Skyline Court, Sundstrand Way
1107 and Hilaria Avenue, as otherwise amended.

1108 **5.13.021 Classes of licenses authorized.**

1109 For the purpose of regulating testing, distribution, offering for sale and sale of
1110 cannabis, the Licensing Authority, in its sole discretion, may issue and grant to
1111 the Applicant a local license from any of the following classes, and the City
1112 hereby authorizes issuance of the licenses of the following classes by the state
1113 licensing authority in locations in the City, subject to the provisions in this
1114 Chapter:

- 1115 **Retail Cannabis Store**
- 1116 **Co-located Medical Cannabis Store**
- 1117 **Retail Cannabis Testing Facility**
- 1118 **Medical Cannabis Testing Facility(ies)**

1119 **5.13.022 Requirements of Issuance of a License.**

1120 The Authority shall not issue a cannabis business license except when each of
1121 the following requirements have been met:

- 1122 (a) The City Manager approved the Applicant's initial application; and,
- 1123 (b) The Hearing Officer finds in writing the initial application to be complete,
1124 and after a public hearing refers the initial application to the randomized

selection process for possible selection for licensure for a license authorized by this Chapter;

(c) If there is to be a randomized selection process, the initial Application was selected for licensure in that process; and,

(d) The Applicant submitted all documents to the Authority that it provided to the State for cannabis business licensure; and,

(e) At the time of issuance of a License, the Applicant has paid all fees and has or will have commence operation within 6 months of selection in the random selection process;

1. The Hearing Officer may extend the period for the Applicant to commence operation for a period of up to 18 months and not to exceed 24 months from the date of selection in the random selection process.

(f) The Applicant and the Applicant's owner(s) and financier(s) are in compliance with all federal, state and local tax laws; and,

(g) A Licensee shall report each and every change of financial interest in the License and/or the Licensee to the Authority prior to any such change pursuant to and in accordance with the provisions of law and the Colorado Marijuana Rules. A report shall be required for transfers of capital stock of any corporation regardless the size, for transfers of member interests of any limited liability company regardless of the size, and for any transfer of an interest in a partnership or other entity or association regardless of size;

5.13.023 Fees.

(a) A nonrefundable Application Fee shall be paid to the state upon application to the state for a cannabis business license.

(b) The Application and License Fees shall be paid to the City at the time of application for a cannabis business license. The License Fee may be refunded if an application is withdrawn by the Applicant, denied by the City Manager or Hearing Officer, or the Applicant is not selected in the randomized selection process. A request for a refund must be made in writing by the Applicant to the City Manager within 30 days of the date of the withdrawal, denial of the application or failure of the license to be selected in the randomized selection process for issuance of a cannabis business license. The Application Fee is nonrefundable.

(c) Renewal, change of location, inspection and all other fees may be imposed as necessary for the administration, regulation and implementation of this Code shall be set by City Council resolution.

(d) License and application fees shall be set City Council resolution, and, as deemed necessary, adjusted to reflect the direct and indirect costs incurred by the City in connection with the adoption, administration, and enforcement of this Code.

(e) In addition to fees and any other monetary remedy provided by this Code, the City shall have the right to recover all sums due and owing hereunder by any civil remedy available at law.

5.13.024 No vested rights; commencement of operations.

(a) Notwithstanding anything contained in this Chapter, an application initially approved for consideration of licensure and found to be complete by the Hearing Officer, or in the event a license is issued, creates no vested right(s) to the License or the renewal of a License, and no property right in the License or the renewal of a License is created.

(b) In the event that a cannabis business does not commence operations within 6 months of selection through the randomized selection process, the license shall be deemed forfeited and the business may not commence operation, unless the Authority has granted an extension , which extension shall in no event exceed 24 months from the date of selection in the randomized selection process.

(c) It shall be unlawful for the owner of a building to allow the use of any portion of the building by a cannabis business unless the tenant has a valid regulated cannabis business license or has applied for one and been awarded a regulated cannabis business license or no cannabis is located on the premises until a license has been issued by the City. In the event that the City has an articulable reason to believe that a regulated cannabis business is being operated in a building, it shall be unlawful for the owner of the building to refuse to allow the City access to the portion of the building in which the suspected cannabis business is located to determine whether any cannabis is on the premises.

5.13.025 Transfer.

(a) A cannabis business license is not transferrable or assignable, in whole or in part, including, without limitation, to a different premise or to a different type of business. A regulated cannabis business license is valid only for the owner named thereon, the type of business disclosed on the application for the License(s), and the location for which the license is issued. The Licensee(s) of a regulated cannabis business are only those persons

disclosed in the Application or subsequently disclosed to the City in accordance with this Chapter.

(b) Transfer of ownership of any interest of the Licensee may not occur within three years of issuance of the license by the City unless by Court order or other operation of law such as probate or lawful seizure/dispossession.

(c) Transfer of ownership of any regulated cannabis business license issued pursuant to this Chapter shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any regulations adopted pursuant thereto and the Authority shall administer transfers of local licenses in the same manner as the state licensing authority administers transfers of state licenses. The public hearing requirement set forth in § 5.13.027 of this Chapter shall apply to all applications for transfer of ownership of any regulated cannabis license.

(d) In determining whether to permit a transfer of ownership, the Authority may consider the requirements of law and the Colorado Marijuana Rules. No application for transfer of ownership will be considered by the Authority if, at the time of such application, the Licensee is under a notice of violation or other unlawful acts issued by either the Authority or the state licensing authority.

(e) The submission or pendency of an application for transfer of ownership does not relieve the Licensee from the obligation to properly apply to renew such License.

(f) No owner may apply for a transfer of ownership of any regulated cannabis business license issued pursuant to this Chapter if the transferee is an owner of or an affiliate of any other business entity holding another regulated cannabis license in the City.

5.13.026 Change in corporate structure.

(a) A change of corporate structure of any regulated cannabis business that results in any of the change(s) in subsections 1 through 3 below shall require the filing of an application and payment of the requisite fees and shall be subject to all requirements of the licensing process. A change of corporate structure shall be heard and approved or denied by the Authority.

1. Any transfer or assignment of ten percent or more of the capital stock of any corporation, or transfer of ten percent or more of the ownership interests of any limited partnership interest in any year, or transfer of any liability company interest in a limited liability company of any kind, joint venture or business entity that results in any individual owning more than ten percent of ownership interest

1240 in the business entity if that individual's ownership interest did not
1241 exceed ten percent prior to transfer.

1242 2. Any change of officer or directors of a corporation that involves the
1243 addition or substitution of individual(s) who was not previously an
1244 officer or director of the corporation during a period of time that the
1245 corporation held the license.

1246 (b) A change of corporate structure that results in any transfer or assignment
1247 of less than ten percent of the capital stock of any corporation or less than
1248 ten percent of the ownership interests of any limited partnership interest in
1249 any year to a person who currently has an interest in the business, and that
1250 does not result in a change of controlling interest, shall not require an
1251 application for change of corporate structure.

1252 (c) No application for transfer of ownership or change in corporate structure
1253 may be approved by the Authority until all City and state occupational taxes,
1254 City and state sales and use taxes, excise taxes, any fines, penalties, and
1255 interest assessed against or imposed upon such Licensee in relation to
1256 operation of the licensed business are paid in full.

1257 (d) A Licensee shall report each and every change of financial interest in the
1258 license and/or the Licensee to the Authority prior to any such change
1259 pursuant to and in accordance with the provisions of law and the Colorado
1260 Marijuana Rules. A report shall be required for transfers of capital stock of
1261 any corporation regardless the size, for transfers of member interests of
1262 any limited liability company regardless of the size, and for any transfer of
1263 an interest in a partnership or other entity or association regardless of size.

1264 (e) No owner may apply for a change in corporate structure of any regulated
1265 cannabis business licensed entity issued pursuant to this Chapter if the
1266 change adds any person or entity as an owner, officer or member of the
1267 corporation or entity as an affiliate of any other business entity holding
1268 another regulated cannabis license in the City.

1269 **5.13.027 Public Hearing and Notice Requirements.**
1270

1271 (a) The public hearing procedure shall apply to any Application that has been
1272 first approved by the City Manager for any regulated cannabis business and
1273 to any application for licensing renewal if the renewal application is referred
1274 to the Licensing Authority by the City Manager pursuant to § 5.13.035 of this
1275 Chapter.

1276 (b) Public notice of the application shall be given as follows or as more
1277 particularly required by C.R.S. 44-10-303 as applicable.

1278 1. Posting a sign by the applicant on the premises for which an
1279 application has been made, not less than 14 days prior to the public
1280 hearing, stating the date of the application, the date of the hearing, the
1281 name and address of the applicant and such information as may be
1282 required to fully apprise the public of the nature of the application. The
1283 City Clerk shall provide the sign to the applicant for posting. If the
1284 building in which the regulated cannabis business is to be located is in
1285 existence at the time of the application, any sign posted shall be placed
1286 so as to be conspicuous and plainly visible to the general public.
1287

1288 2. Publication of notice by the City Manager not less than 14 days prior to
1289 the public hearing, in the same manner as the City posts notice of other
1290 public hearing matters.
1291

1292 (c) Any decision of the Authority, acting by and through the Hearing
1293 Officer, approving or denying an application shall be in writing stating
1294 the reasons therefor and a copy of such decision shall be mailed by
1295 certified mail to the Applicant at the address shown in the Application
1296 and to the State licensing authority.

1297 **5.13.028 Persons prohibited as Licensees.**

1298 (a) No license shall be issued to, held by or renewed by any of the following:

1299 1. Any person until the annual fee for the license has been paid;

1300 2. Any natural person who is not of good moral character;

1301 3. Any entity of whose officers, directors, stockholders, or managing
1302 members are not of good moral character;

1303 4. Any person employing, assisted by, or financed in whole or in part
1304 by any other person who is not of good moral character;

1305 5. Any natural person who has been released within five years
1306 immediately preceding the application from any form of
1307 incarceration or court-ordered supervision, including a deferred
1308 sentence, resulting from a conviction of any felony or any crime
1309 under the laws of the State would be a felony; or any crime of which
1310 fraud or intent to defraud element, whether in the State or
1311 elsewhere; or any felonious crime of violence, whether in the State
1312 or elsewhere;

1313 6. Any person with ten percent (10%) or greater financial interest in
1314 the entity that has been convicted of any of the offenses set forth
1315 in (1) above;

- 1316 7. Any Applicant who has made a false, misleading or fraudulent
1317 statement or who has intentionally omitted pertinent information
1318 on his or her application for a license;
- 1319 8. Any natural person who is under 21 years of age;
- 1320 9. Any person who operates or manages a regulated cannabis
1321 business contrary to the provisions of this Chapter, any other
1322 applicable law, rule, or regulation or conditions imposed on land
1323 use or license approvals, or contrary to the terms of the plans
1324 submitted with the license application or has operated a business
1325 in violation of any law;
- 1326 10. Any person applying for a license to operate a regulated cannabis
1327 business who has been licensed to operate another regulated
1328 cannabis business in the City pursuant to this Chapter;
- 1329 11. A person licensed pursuant to this Chapter who, during a period
1330 of licensure, or who, at the time of application, has failed to remedy
1331 an outstanding delinquency for taxes owed, or an outstanding
1332 delinquency for judgments owed to a government;
- 1333 12. A sheriff, deputy, police officer, prosecuting officer, or an officer
1334 or employee of the state or Authority; and,
- 1335 13. A person whose authority to be a primary caregiver as defined in
1336 § 25-1.5-106(2), C.R.S., has been revoked by the state health
1337 agency.
- 1338 14. No owner of any business applying for a license or in possession
1339 of a license within the City may apply for or be an owner of or be
1340 an affiliate of any other business entity applying for another license
1341 within the City.
- 1342 (b) In making an evaluation of the good moral character of an individual
1343 identified on an application or amendment thereof, the Authority shall
1344 consider the following:
- 1345 1. An Applicant's violation of law shall not, by itself, be grounds for
1346 denying an application;
- 1347 2. Verification of or lack of ability to verify items disclosed by the
1348 Applicant;
- 1349 3. When a person has a history of violation of any law or a history
1350 including denial, revocation, or suspension of a license, the types

1351 and dates of violations; the evidence of rehabilitation, if any,
1352 submitted by the individual; whether the violations of any laws are
1353 related to moral turpitude, substance abuse, or other violations of
1354 any laws that may directly affect the individual's ability to operate
1355 a regulated cannabis business; or whether the violations of any law
1356 are unrelated to the individual's ability to operate such a business;

1357 4. The evidence or lack of evidence regarding the ability of the
1358 individual to refrain from being under the influence of intoxicating
1359 or controlled substances while performing regular tasks and
1360 operating a regulated cannabis business;

1361 5. Rules adopted by the Authority to implement this Chapter;

1362 6. Law, rules, and regulations applicable to evaluation of other types
1363 of licenses issued by the City that consider the good moral
1364 character of the Applicant; and,

1365 7. Any additional information the Authority may request of the
1366 Applicant if the Applicant has a violation of any laws, an
1367 administrative or judicial finding of violation of laws regarding use
1368 of alcohol or controlled substances or items disclosed by the
1369 individual which require additional information in order for the
1370 manager to make a determination regarding issuance of the
1371 license.

1372 5.13.029 Security requirements.

1373 Security measures at all licensed premises shall comply with the requirements of
1374 the Colorado Marijuana Code and applicable rules and regulations promulgated
1375 thereunder. In addition, thereto, the following security practice are required:

1376 (a) A security plan submitted with the Application, as it may be amended, shall
1377 provide equipment, which shall be in good working order, monitored, and
1378 secured 24 hours per day. The plan, at a minimum, shall include:

1379 1. The installation and use of security cameras to monitor and record all
1380 areas of the premises (except restrooms), and where persons may
1381 gain or attempt to gain access to cannabis or cash maintained by the
1382 regulated cannabis business. Cameras shall record operations of the
1383 business to the off-site location, as well as all potential areas of
1384 ingress or egress to the business with sufficient detail to identify facial
1385 features and clothing. Recordings from security cameras shall be
1386 maintained for a minimum of 40 days in a secure offsite location in the
1387 City or through a service over a network that provides on-demand
1388 access, commonly referred to as a "cloud". The offsite location shall

1389 be included in the security plan submitted to the City and provided to
1390 the Grand Junction Police Department and updated within 72 hours of
1391 any change of such location.

1392 2. The installation and use of a safe for storage and any processed
1393 cannabis and cash on the premises when the business is closed to
1394 the public. The safe, as defined in 5.13.013, shall be incorporated into
1395 the building structure or securely attached thereto.

1396 3. The installation and use of an alarm system that is monitored by a
1397 company that is staffed 24 hours a day, seven days a week. The
1398 security plan submitted to the City shall identify the company
1399 monitoring the alarm, including contact information, and updated
1400 within 72 hours of any change of monitoring company. If the alarm
1401 system includes a panic alarm, an operable dedicated phone for law
1402 enforcement to respond to the alarm shall remain on the premises at
1403 all times.

1404 4. The installation and use of outdoor lighting and a diagram and
1405 description of where the lighting shall be placed in accordance with
1406 the GJMC.

1407 (b) The security plan shall be designed to:

1408 1. Prevent the use of cannabis on the licensed premises;

1409 2. Prevent unauthorized individuals from entering the limited access
1410 area portion of the licensed premises;

1411 3. Prevent theft or the diversion of cannabis, including maintaining all
1412 cannabis in a secure, locked room that is accessible only to
1413 authorized persons and, when the business is closed to the public, in
1414 a safe or vault or equivalent secured fixture.

1415 5.13.030 Insurance.

1416 (a) All Applicants must provide at time of application binding quote for
1417 worker's compensation insurance as required by state law and general
1418 liability insurance with minimum limits of \$1,000,000 per occurrence and a
1419 \$2,000,000 aggregate limit.

1420 (b) Licensee shall at all times maintain in force and effect worker's
1421 compensation insurance as required by state law and general liability
1422 insurance with minimum limits of \$1,000,000 per occurrence and a
1423 \$2,000,000 aggregate limit.

(c) Insurance shall:

- 1. Provide primary coverage;**
- 2. Carry limits as provided in this Chapter;**
- 3. Issue from a company licensed to do business in Colorado having an AM Best rating of at least A-VI; and,**
- 4. Be procured and maintained in full force and effect for duration of the License.**

(d) Licensee shall be required to maintain insurance under this section and shall annually provide the City a certificate of insurance evidencing the existence of a valid and effective policy. The certificate shall show the following:

- 1. The limits of each policy, the name of the insurer, the effective date and expiration date of each policy, the policy number, and the names of the additional insureds; and,**
- 2. A statement that Licensee shall notify the City of any cancellation or reduction in coverage within seven days of receipt of insurer's notification to that effect. The Licensee shall forthwith obtain and submit proof of substitute insurance in the event of expiration or cancellation of coverage within 30 days.**

5.13.031 Report requirements.

A cannabis business shall report to the City Manager each of the following within the time specified. If no time is specified, the report shall be provided within 72 hours of the event:

- (a) Transfer or change of financial interest, manager or Financier in the license to the City at least 30 days before the transfer or change;**
- (b) Sales and taxable transactions and file sales and use tax reports to the City monthly;**
- (c) Any violation of law by any Licensee, Applicant, or employee of a regulated cannabis business;**
- (d) A notice of potential violation of any law to any license;**
- (e) Upon City request, any report that the regulated cannabis business is required to provide to the State; and;**

(f) Licensee and any agent, manager or employee thereof shall immediately report to the Grand Junction Police Department any disorderly act, conduct or disturbance and any unlawful activity committed in or on the licensed premises, including, but not limited to, any unlawful sale of regulated cannabis, and shall also immediately report any such activity of which the Licensee has knowledge in the immediate vicinity of the business within twelve hours of the occurrence.

(g) Each Licensee shall post and keep at all times visible to the public in a conspicuous place on the premises a sign with a minimum height of 14 inches and a minimum width of 11 inches with each letter to be minimum of one-half inch in height, which shall read as follows:

WARNING:

Grand Junction Police Department shall be notified of any disorderly act(s), conduct or disturbance(s) and all unlawful activity(ies) which occur on or within the premises of this licensed establishment.

(h) It shall not be a defense to a prosecution of a License under this section that the Licensee was not personally present on the premises at the time such unlawful activity, disorderly act, conduct, or disturbance was committed.

(i) Failure to comply with the requirements of this section shall be considered by the Authority in any action relating to the issuance, revocation, suspension or nonrenewal of a license.

5.13.032 Public health and labeling requirements.

(a) All regulated cannabis sold or otherwise distributed by the Licensee shall be labeled in a manner that complies with the requirements of the Colorado Marijuana Code and all applicable rules and regulations promulgated thereunder.

(b) All regulated cannabis sold or otherwise distributed by the Licensee shall be packaged and labeled in a manner that advises the purchaser that it contains cannabis and specifies the amount of cannabis in the product, that the cannabis is intended for regulated use solely by the person to whom it is sold, and that any resale or redistribution of the regulated cannabis to a third person is prohibited. In addition, the label shall comply with all applicable requirements of the State of Colorado and any other applicable law.

(c) The product shall be packaged in a sealed container that cannot be opened without obvious damage to the packaging.

5.13.033 Cannabis sales; walk-up and drive thru.

(a) Regulated cannabis stores licensed may serve customers through drive-up window as permitted by the City and the State. If a licensed business intends to permit a walk-up and/or drive-thru sales, this must be included in the business plan submitted to the City in the application process.

(b) Order and identification requirements.

1. Prior to transferring cannabis to a customer, the regulated cannabis business must ensure that the consumer is 21 years of age or older by inspecting the consumer's identification.

2. Regulated cannabis stores may accept telephone or online orders or may accept orders from the consumer at the walk-up window or drive-up window, to the extent allowed under state law.

3. All orders received through a walk-up window or drive-thru window must be placed by the customer from a menu. The regulated cannabis store may not display cannabis at the walk-up or drive-thru window.

4. Delivery windows for walk-up sales must be at a separate location on the premises than those for drive-thru sales.

5. For every transfer of regulated cannabis through either a walk-up window or drive-up window, the regulated cannabis store video surveillance must record the consumer's facial features with sufficient clarity to establish their identity (and consumer's vehicle in the event of drive-up window) and must record the Licensee verifying the consumer's identification and completion of the transaction through the transfer of regulated cannabis.

5.13.034 Prohibited acts. It shall be unlawful:

(a) For any person to sell cannabis or cannabis products without valid regulated cannabis business licenses from the City and a valid regulated cannabis business license from the State;

**(b) at a licensed regulated cannabis store any time not permitted by this Code;
For any person to operate a regulated cannabis business**

(c) For any person to sell or distribute cannabis to persons under the age of 21;

(d) For any person under 21 years of age to be on or within the limited access area of any cannabis business;

- 1525 (e) For any person to display, transfer, cultivate, distribute, transfer, serve, sell,
1526 give away, produce, dispose of, smoke, use, or ingest cannabis or any
1527 cannabis openly or publicly in a place open to the general public;
- 1528 (f) For any person to possess or operate a cannabis business in violation of
1529 this Chapter or in a manner that is not consistent with the items disclosed in
1530 the application for the cannabis business or be in violation of any plan made
1531 part of the License Application and/or License;
- 1532 (g) For any person to produce, distribute, or possess more cannabis than
1533 allowed by law, or than disclosed in the application to the State of Colorado
1534 and the Authority for a cannabis business license, or other applicable law;
- 1535 (h) For any person to refuse or fail to provide video surveillance footage to the
1536 Grand Junction Police Department, the City Manager, the City Attorney, or
1537 the Authority in connection with a criminal and/or license violation
1538 investigation, or to refuse to allow inspection of a cannabis business.
1539
- 1540 (i) For any person to refuse to allow inspection of a regulated cannabis
1541 business upon request of a City employee. Any Licensee, owner, manager,
1542 or operator of a regulated cannabis business, or the owner of the property
1543 where a regulated cannabis business is located, may be charged with this
1544 violation;
- 1545 (j) For any person to store or keep cannabis intended for sale or distribution by
1546 the Licensee in any place outside of the licensed premises;
- 1547 (k) For any person to smoke, use, or ingest on the premises of a regulated
1548 cannabis business cannabis, fermented malt beverage, malt, vinous, and
1549 spirituous liquor or any controlled substance(s), except in compliance with
1550 the directions on a legal prescription for the person from a doctor with
1551 prescription writing privileges;
- 1552 (l) For any person to operate or be in physical control of any cannabis business
1553 while under the influence of alcohol or other intoxicant, or cannabis, or any
1554 controlled substance(s), except in compliance with the directions on a legal
1555 prescription for the person from a doctor with prescription writing privileges;
1556
- 1557 (m) For alcohol beverages to be on the licensed premises;
- 1558 (n) For any person to purchase cannabis in the City from any person not
1559 properly licensed to sell cannabis;
- 1560 (o) For any person to possess or operate a regulated cannabis business in
1561 violation of this Chapter;

- 1562 (p) For any person to produce, distribute, or possess more cannabis than
1563 allowed by law; or than disclosed in the application to the State of Colorado
1564 for a regulated cannabis business license, or other applicable law;
- 1565 (q) For any person to give away, dispense, or otherwise distribute cannabis for
1566 free or without use of a coupon approved and defined by this Code;
- 1567 (r) For any person to knowingly conduct or permit any employee to conduct any
1568 sale(s) transaction(s) when the video surveillance system or equipment is
1569 inoperable;
- 1570 (s) For any person to distribute cannabis for remuneration without a regulated
1571 cannabis license or outside of the restricted area of the regulated cannabis
1572 business;
- 1573 (t) For any person to possess regulated cannabis, or own or manage a
1574 regulated cannabis business, or own or manage a building with a regulated
1575 cannabis business, where there is possession of regulated cannabis, by a
1576 person who is not lawfully permitted to possess regulated cannabis;
- 1577 (u) For any person to possess or operate a regulated cannabis business in a
1578 location for which a regulated cannabis business license is prohibited by
1579 law;
- 1580 (v) For any person to operate a regulated cannabis business in a manner that is
1581 not consistent with the Application for the regulated cannabis business or is
1582 in violation of any plan made part of the license application/issued license;
- 1583 (w) For any person to operate a regulated cannabis business without obtaining
1584 and passing all building inspections and obtaining all permits required by
1585 the City;
- 1586 (x) For any person to operate a regulated cannabis business in violation of any
1587 building, fire, zoning, plumbing, electrical, or mechanical code(s) as adopted
1588 and amended by the City;
- 1589 (y) For any person to operate a regulated cannabis business without disclosing,
1590 in the application for a regulated cannabis business license or an
1591 amendment thereto, an agent who either (i) acts with managerial authority,
1592 (ii) provides advise to the regulated cannabis business for compensation, or
1593 (iii) receives periodic compensation totaling \$1,000 or more in a single year
1594 for services related to the regulated cannabis business. It shall be an
1595 affirmative defense that the undisclosed person was an attorney,
1596 accountant, bookkeeper, or mail delivery person;

- 1597 (z) For any person to operate a regulated cannabis business without a sales tax
1598 license as required by the GJMC;
- 1599 (aa) For any person to make any change(s), or for the Licensee to allow any
1600 change(s), to the terms of any plan(s) submitted with the license application
1601 and approved by the City, or the person(s) entity(ies) named in the
1602 application, without prior approval of the City;
- 1603 (bb) For any person to attempt to use or display a regulated cannabis business
1604 license at a different location or for a different business entity than the
1605 location and business entity disclosed on the application for the issued
1606 license;
- 1607 (cc) For any person to cultivate, produce, distribute or possess regulated
1608 cannabis or own or manage a regulated cannabis business in which another
1609 person cultivates, produces, distributes, or possesses cannabis, in
1610 violation of law;
- 1611 (dd) For any person to allow an owner or manager that has not been disclosed
1612 to the City as required by law to operate the business;
- 1613 (ee) For any person to dispose of regulated cannabis or any by-product of
1614 regulated cannabis containing cannabis in a manner contrary to law;
- 1615 (ff) For a person to distribute a regulated cannabis plant to any person, except
1616 as permitted by law for immature plants;
- 1617 (gg) For any person to deliver regulated cannabis between regulated cannabis
1618 businesses except in strict compliance with law;
- 1619 (hh) For any person to advertise or publish materials, honor coupons, sell or
1620 give away products, or display signs that are in violation of this Code or the
1621 laws of the State of Colorado;
- 1622 (ii) For any person to violate any provision of this Code or any condition of a
1623 license granted pursuant to this Code or any law, rule, or regulation
1624 applicable to the use of regulated cannabis or the operation of a regulated
1625 cannabis business;
- 1626 (jj) For any person to permit any other person to violate any provision of this
1627 Code or any condition of an approval granted pursuant to this Code, or any
1628 law, rule, or regulation applicable to the use of regulated cannabis or the
1629 operation of a regulated cannabis business;

- 1630 (kk) For any person to lease any property to a regulated cannabis business that
1631 has cannabis on the property without a regulated cannabis business license
1632 from the City;
- 1633 (ll) For any person to distribute cannabis within a regulated cannabis business
1634 to any person who shows visible signs of intoxication from alcohol,
1635 cannabis, or other drug(s)/intoxicant(s);
- 1636 (mm) For any person to be on or within the licensed premises if such person is
1637 under 21 years of age;
- 1638 (nn) For any person to permit any person under 21 years of age on the premises
1639 of the regulated cannabis business; it is presumed that the Licensee is
1640 aware of the age of all people on the premises if identification is not
1641 specifically checked at the entry to the building;
- 1642 (oo) For any person to fail to confiscate fraudulent proof of age and notify the
1643 Grand Junction Police Department. It shall be an affirmative defense to
1644 failure to confiscate the fraudulent proof of age if an attempt to confiscate
1645 a fraudulent proof of age caused a reasonable person to believe the act
1646 created a threat to any person;
- 1647 (pp) For any person to fail to provide a copy or record of a coupon issued by or
1648 redeemed at the regulated cannabis business upon request of an authorized
1649 City employee;
- 1650 (qq) For any licensee or any manager, agent or employee of such licensee to fail
1651 to immediately report to the Grand Junction Police Department and the
1652 Authority any disturbance(s), disorderly conduct or criminal activity
1653 occurring at the regulated cannabis business, on the licensed premises,
1654 within the licensed premises, or any property under the control or
1655 management of the Licensee, including any associated contiguous parking
1656 area used by Licensee's patrons. For the purpose of this subsection,
1657 "report" means to either:
- 1658 1. Immediately, verbally, and directly in person notify any on-site
1659 uniformed Grand Junction Police Officer whether on duty or working
1660 secondary employment; or
 - 1661 2. Immediately place and complete a telephone call to the non-
1662 emergency line at the Grand Junction Police Department; or
 - 1663 3. Immediately place and complete a telephone call to the emergency
1664 line at the Grand Junction Police Department.

1665 (rr) For any person to fail to post the premises with signs notifying the public of
1666 the closure of the business during a suspension as required by this Chapter;

1667 (ss) For any licensee holding a regulated cannabis store license, or for any agent,
1668 manager or employee thereof, to sell, give, dispense or otherwise distribute
1669 cannabis or regulated cannabis paraphernalia from any outdoor location;

1670 (tt) For any person to employ a business manager that has not been properly
1671 registered with the City; and,

1672 (uu) For any person to operate or possess a regulated cannabis business license
1673 in violation of any ordinance or regulation of the City, or any applicable law,
1674 rule or regulation.

1675 Any person who pleads guilty or no contest to, or who, after hearing, is found to
1676 have violated any of the foregoing shall be subject to penalties pursuant to Chapter
1677 1.04.080 and any penalties specifically referenced within the GJMC.

1678 **5.13.035 Nonrenewal, suspension or revocation of license.**

1679 (a) The term and renewal of the license shall be governed by the standards and
1680 procedures set forth in the Colorado Marijuana Code, the City's Code and
1681 any rules and regulations adopted pursuant thereto.

1682 (b) The Authority, acting by and through the Hearing Officer, may, after notice
1683 and hearing, suspend, revoke or deny renewal of a license for any of the
1684 following reasons:

1685 1. The Applicant or licensee, or his or her agent, manager or employee,
1686 manager, or financier has violated, does not meet, or has failed to comply
1687 with, any of the terms, requirements, conditions, or provisions of this
1688 Code or with or with any applicable state or local law, rule or regulation;

1689 2. The Applicant or Licensee, or his or her agent, manager or employee, or
1690 financier has failed to comply with any special terms or conditions of its
1691 license pursuant to an order of the state or the Authority, including those
1692 terms and conditions that were established at the time of issuance of the
1693 license and those imposed as a result of any disciplinary
1694 proceeding(s) held subsequent to the issuance of the license;

1695 3. The regulated cannabis business has been operated, by a preponderance
1696 of the evidence, in a manner that adversely affects the public health,
1697 safety or welfare;

1698 4. Misrepresentation or omission of any material fact, or false or misleading
1699 information, on the application any amendment thereto, or renewal

- 1700 request, or any other information provided to the City related to the
1701 regulated cannabis business;
- 1702 5. Violation of any law by which, if occurring prior to and during submittal
1703 and review of the application, could have been cause for denial of the
1704 license application;
- 1705 6. Distribution of cannabis, including, without limitation, in violation of this
1706 Chapter or any other applicable law, rule, or regulation;
- 1707 7. Failure to maintain, or provide to the City upon request, any books,
1708 recordings, reports, or other records required by this Chapter;
- 1709 8. Failure of the Licensee to file any report(s), notification(s) or furnish any
1710 information as required by the provisions of this Chapter, or any rule or
1711 law adopted pursuant thereto relating to any license authorized by law;
- 1712 9. Failure to timely notify the City and to complete necessary form(s) for
1713 change(s) in financial interest, manager(s), financier, or agent;
- 1714 10. Temporary or permanent closure, or other sanction of the business, by
1715 the City, or by the County or State of Colorado or other governmental
1716 entity with jurisdiction, for failure to comply with health and safety
1717 provisions of this Chapter or otherwise applicable to the business or any
1718 other applicable law;
- 1719 11. Revocation or suspension of another regulated cannabis business or any
1720 other license issued by the City, the State, or any other jurisdiction held
1721 by any Licensee of the regulated cannabis business;
- 1722 12. Failure to timely correct any violation of any law or comply with any order
1723 to correct a violation of any law within the time stated in the notice or
1724 order;
- 1725 13. Abandonment of the licensed premises by the Licensee or otherwise
1726 ceasing of operations without notifying the Authority and the state
1727 licensing authority within 48 hours in advance and without accounting for
1728 and forfeiting to the state licensing authority for the destruction of all
1729 cannabis or products containing cannabis;
- 1730 14. Failure to comply with the provisions of the Colorado Marijuana Code, the
1731 City's Code, and any rule or regulation adopted pursuant thereto, or any
1732 special term or condition placed upon the Licensee by order of the
1733 Authority or State licensing authority.

- 1734 **15. Violations of any conditions imposed in connection with the issuance or**
1735 **renewal of the license;**
- 1736 **16. Failure to pay all required fines, interest, costs, fees, or penalties**
1737 **assessed against or imposed upon such Licensee in relation to the**
1738 **licensed cannabis business;**
- 1739 **17. Failure to file tax returns when due as required by this Code, or the**
1740 **Licensee is overdue on his or her payment to the state or local taxes**
1741 **related to the operation of the business associated with the license;**
- 1742 **18. Loss of right of possession to the licensed premises;**
- 1743 **19. Failure of the licensee to comply with the duty to supplement the license**
1744 **application;**
- 1745 **20. Failure of the licensee to operate in accordance with any special term or**
1746 **condition placed upon a license by the Authority or the state licensing**
1747 **authority;**
- 1748 **21. The licensee, or any of agent(s) or employee(s) of the Licensee, have**
1749 **committed any unlawful act as described in this Chapter or violated any**
1750 **ordinance of the City or any state law on the premises or have permitted**
1751 **such a violation on the premises by any person;**
- 1752 **22. The licensee has knowingly permitted or encouraged, or has knowingly**
1753 **and unreasonably failed to prevent a public nuisance within the meaning**
1754 **of this Chapter from occurring or in or about the licensed premises;**
- 1755 **23. The odor of cannabis is perceptible to an ordinary person at the exterior**
1756 **of the building at the licensed premises or is perceptible within any space**
1757 **adjoining the licensed premises;**
- 1758 **24. The licensee knowingly permitted or allowed the consumption of**
1759 **cannabis on the licensed premise;**
- 1760 **25. The licensee knowingly permitted the possession or consumption of an**
1761 **alcohol beverage within the licensed premises. At any hearing for**
1762 **violation of this subsection, any bottle, can, or other container label**
1763 **indicating the contents of such bottle, can, or other container, shall be**
1764 **admissible into evidence and shall be prima facie evidence that the**
1765 **contents of the bottle, can, or other container was composed in whole or**
1766 **in part an alcohol beverage;**
- 1767 **26. The licensee has failed to appear upon a Municipal Court summons;**

- 1768 **27. The licensee, or any of the officer(s), director(s), owner(s), manager(s),**
1769 **agent(s), or employee(s) has(have) been convicted of a felony or drug**
1770 **related criminal offense within the previous 12 months;**
- 1771 **28. The licensee engaged in any form of business or commerce involving the**
1772 **cultivation, processing, manufacturing, storage, sale, distribution,**
1773 **transportation, research or consumption of any form of cannabis or**
1774 **cannabis product other than the privileges granted under the regulated**
1775 **cannabis business license;**
- 1776 **29. The licensee has materially or substantially, changed, altered, or modified**
1777 **the licensed premises, or use of the licensed premises, without obtaining**
1778 **prior approval to make such changes, alterations, or modifications from**
1779 **the Authority;**
- 1780 **30. The licensee has failed to maintain a valid state license; and,**
- 1781 **31. The licensee, or any of the agent(s), servant(s) or employee(s) of the**
1782 **licensee has/have violated any ordinance of the City or any state or**
1783 **federal law on the premises or have permitted such a violation on the**
1784 **premises by any other person.**
- 1785 **(c) Evidence to support a finding of a violation(s) may include, without**
1786 **limitation, one or a combination of the following;**
- 1787 **1. A continuing pattern of disorderly conduct, disturbance(s) or criminal**
1788 **activity occurring at the location, on the licensed premises, within the**
1789 **licensed premises, or any adjoining grounds or property under the**
1790 **control or management of the licensee;**
- 1791 **2. An ongoing nuisance condition emanating from or caused by the**
1792 **regulated cannabis business.**
- 1793 **(d) In the event a business or Licensee is charged with violation of any law, upon**
1794 **which a final judgment would be grounds for suspension or revocation of a**
1795 **license, the City may suspend the license pending the resolution of the**
1796 **alleged violation.**
- 1797 **(e) If the City revokes or suspends a license, the regulated cannabis business**
1798 **may not move any cannabis from the premises except under the supervision**
1799 **of the Grand Junction Police Department.**
- 1800 **(f) The Authority shall conduct a review of all licenses at least annually and, in**
1801 **addition to examining the factors enumerated in this subsection, may hold a**
1802 **hearing on each license at which the general public may be invited to appear**
1803 **and provide testimony as to the effects of the license on the surrounding**

community and the City at large, and the Authority may take such views into consideration when deciding whether to continue or renew such license.

(g) In the event of the suspension of a regulated cannabis business license, during the period of suspension, the business:

1. Shall post two notices provided by the Authority, in conspicuous places, one on the exterior and one on the interior of its premises for the duration of the suspension; and

2. Shall not sell or otherwise distribute or transport cannabis, nor allow any customers into the licensed premises.

5.13.036 Operational Standards.

All regulated cannabis businesses shall comply with the applicable state and local laws, rules and regulations, as amended. In addition, Licensees shall comply with the following local operational standards. Failure to comply with any State or local law, rule or regulation or any operational standard(s) may be grounds to suspend or revoke any license and impose civil penalties where applicable.

(a) Odor management – ventilation required. For all cannabis businesses, ventilation shall be installed so that the odor of cannabis cannot be detected by a person with a normal sense of smell at the exterior of a regulated cannabis business or at any adjoining use or property.

(b) Hours of operation. A regulated cannabis business shall be closed to the public, and no sale or other distribution of cannabis shall occur upon the premises between the hours of 10 p.m. and 8 a.m. Provided, however, in the event that a planned delivery of cannabis cannot be completed on the day scheduled, the cannabis may be returned to the business.

(c) Display of licenses required. The name and contact information for the owner or owners and any manager of the regulated cannabis business, the regulated cannabis business license, and the sales tax business license shall be conspicuously posted inside the business near the main entrance.

(d) Owner or manager required on premises. No regulated cannabis business shall be managed by any person other than the Licensee, or the manager listed on the application for the license or a renewal thereof. Such Licensee or manager shall be on the premises and responsible for all activities within the licensed business during all times when the business is open or in the possession of another person.

5.13.037 Records.

- (a) Each Licensee shall keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, correspondence, bank statements, including cancelled checks and deposit slips, and all other records necessary to show fully the business transactions of such Licensee. Receipts shall be maintained in a computer program or by pre-numbered receipts and used for each sale. The records of the business shall clearly track regulated cannabis product inventory purchased and sales and disposal thereof to clearly track revenue from sales of any regulated cannabis from other paraphernalia or services offered by the regulated cannabis business.
- (b) All records shall be open at all times during business hours for the inspection and examination of the City or its duly authorized representatives.
- (c) The City shall require any Licensee to furnish such information as it considers necessary for the proper administration of this Chapter. The records shall clearly show the source, amount, price, and dates of all cannabis received or purchased, and the amount, price, dates, customer names, addresses, and contact information for all regulated cannabis sold.
- (d) By applying for a regulated cannabis business license, the Licensee is providing consent to disclose the information required by this Chapter, including information about customers. Any records provided by the Licensee that includes customer confidential information may be submitted in a manner that maintains the confidentiality of the documents under the Colorado Open Records Act, § 24-72-201, *et seq.*, C.R.S., or other applicable law. Any document that the Applicant considers eligible for protection under the Colorado Open Records Act shall be clearly marked as confidential, and the reasons for such confidentiality shall be stated on the document. In the event that the Licensee does appropriately submit documents so as not to be disclosed under the Colorado Open Records Act, the City shall not disclose it to other parties who are not agents of the City, except law enforcement agencies. If the City finds that such documents are subject to inspection, it will provide at least 24-hour notice to the Applicant prior to such disclosure.

5.13.038 Audits and inspection.

- (a) The City may require an audit to be made of the books of account and financial records of a regulated cannabis business on such occasions as it may consider necessary. Such audit may be made by an auditor to be selected by the City that shall likewise have access to all books, records

1879 and information of the regulated cannabis business. The expense of any
1880 audit determined necessary by the City shall be paid by the regulated
1881 cannabis business.

1882 (b) Application for regulated cannabis business license and/or operation of
1883 a regulated cannabis business, or leasing property to a regulated
1884 cannabis business, constitutes consent by the Applicant, and all owners,
1885 managers, and employees of the business, and the owner of the property
1886 to permit the Authority or agent of the Authority, or anyone authorized to
1887 conduct routine inspections of the regulated cannabis business to
1888 ensure compliance with this Chapter or any other applicable law, rule, or
1889 regulation. The owner or manager on duty shall retrieve and provide the
1890 records of the business pertaining to the inspection. For purposes of
1891 Rule 241 of the Colorado Rules of Municipal Procedure, inspections of
1892 regulated cannabis businesses and recordings from security cameras in
1893 such businesses are part of the routine policy of inspection and
1894 enforcement of this Chapter for the purposes of protecting the public
1895 safety, individuals operating and using the services of the regulated
1896 cannabis business, and the adjoining properties and neighborhood. This
1897 section shall not limit any inspection authority authorized under any
1898 other provision of law or regulation, including those of police, fire,
1899 building, and code enforcement officials. Application for a regulated
1900 cannabis business license constitutes consent to inspection of the
1901 business as a public premises without a search warrant, and consent to
1902 seizure of any surveillance records, camera recordings, reports, or other
1903 materials required as a condition of a regulated cannabis license without
1904 a search warrant.

1905 (c) The licensed premises, including any places of storage where regulated
1906 marijuana or regulated marijuana products are stored, sold, dispensed,
1907 or tested are subject to inspection by the City, during all business hours
1908 and other times of apparent activity, for the purpose of inspection or
1909 investigation. When any part of the licensed premises consists of a
1910 locked area, upon demand to the Licensee, such area must be available
1911 for inspection without delay, and upon request by the City, the Licensee
1912 shall open the area for inspection.

1913 (d) Initial inspection. The City may inspect any regulated cannabis
1914 businesses prior to final issuance of a license to verify that the facilities
1915 are constructed and can be operated in accordance with the Application
1916 submitted and the requirements of laws.

1917 (e) Regular inspections. The City is authorized to perform regular
1918 inspections on a quarterly basis during the first year following licensure,
1919 and on a yearly basis prior to license renewal following the first year of
1920 operation.

1921 (f) Random inspections. Regular licensing inspection(s) shall not prevent
1922 the City from inspecting regulated cannabis businesses at random
1923 intervals and without advance notice pursuant to the City's Code, the
1924 Colorado Marijuana Code, the Colorado Department of Revenue
1925 Enforcement Division Marijuana Rules, the Colorado Constitution, the
1926 City's Code, or any rule and regulations adopted thereto.

1927 (g) Inspection of records. The records to be maintained by each regulated
1928 cannabis business shall include the source and quantity of any cannabis
1929 distributed, produced, or possessed within the premises. Such reports
1930 shall include, without limitation, for both acquisitions from wholesalers
1931 and transactions to patients or caregivers, the following:

1932 1. Name and address of seller or purchaser;

1933 2. Date, weight, type of cannabis, and monetary amount or other
1934 consideration of transaction;

1935 3. For wholesaler transactions, the state and City, if any, sales and
1936 use tax license number of the seller.

1937 (h) Disposal of regulated cannabis and cannabis byproducts. All regulated
1938 cannabis and any product containing a usable form of cannabis must be
1939 made unusable and unrecognizable prior to removal from the business in
1940 compliance with all applicable laws. This provision shall not apply to
1941 licensed law enforcement, including without limitation, the Grand
1942 Junction Police Department and the Grand Junction Fire Department.

1943 (i) The manager of a regulated cannabis business is required to respond by
1944 telephone or email within 24 hours of contact by a City official concerning
1945 its cannabis business at the telephone number or email address provided
1946 to the City as the contact for the business. Each 24-hour period during
1947 which an owner or manager does not respond to the City official shall be
1948 considered a separate violation.

1949 **5.13.039 Modification of premises.**

1950 (a) Any modification of the licensed premises shall be governed by the
1951 standards and procedures set forth in the Colorado Marijuana Code, this
1952 Chapter, and any regulations adopted pursuant thereto.

1953 (b) The Authority shall administer applications to modify the premises in the
1954 same manner as the state licensing authority administers changes of
1955 location and modifications of premises for state licenses.

(c) Any application for a proposed modification of the licensed premises shall comply with and shall be subject to review and approval of the Building Departments and any other agency that is required to approve such modification.

5.13.040 Renewals.

(a) A regulated cannabis business license issued pursuant to this Chapter shall be valid for one year from the date of issuance and shall automatically expire on the last day of the month in which the License is issued of the year following issuance or renewal of the License.

(b) During the term of the License, the Licensee shall have the ongoing obligation to:

1. Provide the City with copies of all material that it voluntarily files or is required to file with the Colorado Department of Revenue Marijuana Enforcement Division; and,
2. Post a 24 inch x 36 inch sign within the licensed premises of a regulated cannabis business which includes the warning statements set forth in Rule 1006 C.1.i. of the Colorado Department of Revenue Marijuana Enforcement Division Permanent Rules Related to the Colorado Regulated Marijuana Code, as amended.

(c) Licensee must apply for the renewal of an existing license at least 45 days prior to the License's expiration date. The Licensee shall apply for renewal using forms provided by the City. If the Licensee fails to timely file a renewal application, the Licensee must provide a written explanation detailing the circumstances surrounding the late filing. If the Authority accepts the application, then it administratively continues the License beyond the expiration date, but for no longer than 45 days after the expiration date, while the Authority completes the renewal licensing process, in which case, the Licensee shall pay an additional fee to the City prior to issuance of the renewed license. The renewal license fee, and late fee if applicable, shall accompany the renewal application. Such fee(s) are nonrefundable.

(d) In the event that there has been a change to any of the plans submitted with the license application, a renewal, or modification of the premises application, such change(s) shall be specifically proposed and described prior to be made by the Licensee and/or approved, if at all, by the Authority.

- 1997 (e) In the event any person who has an interest in the License or any manager,
1998 financier, agent as defined herein, or employee has been charged with or
1999 accused of violations of any law since issuance of the License, the renewal
2000 application shall include the name of the violator, the date of the violation,
2001 the court and case number where the violation was filed, and the disposition
2002 of the violation with the renewal application.
2003
- 2004 (f) In the event the regulated cannabis business Licensee has received any
2005 notice of violation of any law, the renewal application shall include a copy of
2006 the notice or suspension.
- 2007 (g) The renewal application shall include verification that the business has a
2008 valid state license and the state license is in good standing.
2009
- 2010 (h) The Authority shall not accept renewal applications after the expiration of
2011 the License.
2012
- 2013 (i) No renewal application shall be accepted by the Authority that is not
2014 complete. Any application mailed to or deposited with the Authority that,
2015 upon examination, is found to have some omission or error, shall be
2016 returned to the Applicant for completion or correction.
2017
- 2018 (j) In the event there have been allegations of violations of this Chapter, if the
2019 Licensee has a history of violation(s), or if the Licensee has committed
2020 unlawful acts, and/or if there are allegations against the Licensee that would
2021 constitute cause as defined herein by any of the Licensee(s) or the business
2022 submitting a renewal application, the Authority may hold a hearing pursuant
2023 to § 5.13.027 of this Chapter, prior to approving the renewal application. The
2024 hearing shall be to determine whether the application and proposed
2025 Licensee(s) comply with this Chapter. If the Authority holds a hearing and
2026 the application and the Licensee is found to meet the requirements of this
2027 Chapter, or the business has been operated in the past in violation of law,
2028 rule or regulation, then the renewal application may be denied or issued with
2029 conditions, and the Authority's decision shall be final subject to judicial
2030 review.
2031
- 2032 (k) All renewal applications shall be reviewed and evaluated by the Authority if
2033 no hearing is scheduled. The Authority may refuse to renew any license for
2034 good cause as that term is defined in this Chapter and any applicable local
2035 law or regulation.
2036
- 2037 (l) In the event a regulated cannabis business that has been open and
2038 operating and submitting monthly sales and use tax returns to the City
2039 ceases providing sales and use tax returns to the City for a period of three

months or longer, the cannabis business license shall be set for a public hearing for the Authority to determine if the License shall be revoked.

- (l) In the event the City incurs costs in the inspection, clean-up, or any other necessary or required action to remove regulated cannabis of any regulated cannabis business, or any person cultivating, producing, distributing, or possessing cannabis, or otherwise cause the business to be in compliance with applicable law, the Licensee shall reimburse the City all costs incurred by the City for such inspection and/or cleanup.

5.13.041 Compliance monitoring.

- (1) The City shall monitor compliance with this Chapter, as it deems appropriate.
- (2) The City shall have the discretion to consider any or all previous compliance check histories of a Licensee in determining how frequently to conduct compliance checks of a Licensee with respect to any licensee(s).
- (3) Compliance checks shall be conducted as the City determines appropriate so as to allow the City to determine, at a minimum, if the regulated cannabis business is conducting business in a manner that complies with law.
- (4) It shall not be a violation of the law for a person under the minimum sale age for cannabis purchases or possession to purchase or possess cannabis products if the underage person is participating in a compliance check supervised by any person authorized by the City or the State of Colorado to conduct compliance monitoring.

5.13.042 Sales tax.

Each regulated cannabis business shall collect and remit City sales and use tax on all regulated cannabis, paraphernalia and other tangible property used or sold at the licensed premises as provided by the Grand Junction Municipal Code and other applicable law.

5.13.043 Violations and Penalties.

- (a) The Authority shall hear all actions relating to the suspension or revocation of licenses pursuant to this Chapter. The Authority shall have the authority to impose disciplinary actions, sanctions, penalties upon a

Licensee including but not limited to additional terms and conditions on the license, a fine in lieu of a suspension, a suspension or a revocation of a license issued by the Authority for any violation by the Licensee or by any of the agents or employees of the Licensee of any provision of the Colorado Marijuana Code, the City's Code, any rule or regulation adopted pursuant thereto, any building, fire, health or zoning statute, code, or ordinance, or any of the rules and regulations adopted pursuant thereto, in addition to any other penalties prescribed by this Code.

(b) In addition to the possible denial, suspension, revocation or nonrenewal of a license under the provisions of this Chapter, any person, including but not limited to, any Licensee, manager or employee of a regulated cannabis business, or any customer of such business, who violates any of the provisions of this Chapter, shall be guilty of a misdemeanor offense punishable in accordance with § 1.04.090 of this Code. A person committing a violation shall be guilty of a separate offense for each and every day during which the offense is committed or continued to be permitted by such person and shall be punished accordingly.

(c) The City shall commence suspension or revocation proceedings by petitioning the Authority to issue an order to the Licensee to show cause that the Licensee's license should not be suspended or revoked. The Authority shall issue such an order to show cause if the petition demonstrates that evidence exists to determine that one or more grounds exist to suspend or revoke the Licensee's license. The order to show cause shall set the matter for a public hearing before the Licensing Authority.

(d) The City Manager shall give written notice of the public hearing no later than fifteen days prior to the hearing by mailing, either electronically or by first class mail, the notice to the Licensee at the address contained in the Licensee's license. At the hearing, the Licensee shall have the opportunity to be heard, to present evidence and witnesses, and to cross examine witnesses presented by the City. The Authority shall have the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of any hearing that the Authority is authorized to conduct. The standard of proof at such hearings shall be a preponderance of the evidence. The burden of proof shall be upon the City. The Authority shall be permitted to accept any evidence that the Hearing Officer finds to be relevant to the show cause proceeding.

- 2123 (e) If the Authority, acting by and through the Hearing Officer, finds that a
2124 violation has occurred, the Authority may:
2125
- 2126 (1) Revoke the license for any period up to and including permanent
2127 revocation;
2128
 - 2129 (2) Suspend the license for any period of time; (6 months?)
2130
 - 2131 (3) Impose a fine or fine in lieu of suspension of at least \$500.00 but
2132 no more than \$100,000.00;
2133
 - 2134 (4) Establish conditions that must be met before the license holder
2135 may apply for reinstatement of the license; and,
2136
 - 2137 (5) The Authority may impose the costs to conduct a public hearing
2138 upon a Licensee who has violated any of the provisions prescribed
2139 by this Chapter.
2140
- 2141 (f) Payment of fines or costs pursuant to the provisions of this Chapter shall
2142 be in the form of a certified check or cashier's check made payable to the
2143 City of Grand Junction and paid within seven days of the imposed
2144 sanction.
2145
- 2146 (g) If the Authority finds that the license shall be suspended or revoked or a
2147 fine imposed in lieu of a suspension, the Licensee shall be provided
2148 written notice of such fine, suspension or revocation with the reasons
2149 therefore within 20 days following the date of the hearing.
2150
- 2151 (h) The Authority will establish factors to consider when determining the
2152 amount of fine to impose and adopt guidance for penalties and/or fines.
2153 That guidance will be used consistently for all imposed penalties.
2154
- 2155 (j) If a license is suspended, the Licensee must post notice that states the
2156 License is under suspension or revocation due to violation(s) of this
2157 Chapter, and that all sales of cannabis products are prohibited for the
2158 period of the suspension. The signage shall be prominently displayed at
2159 all entrances on the premises for the entirety of the suspension or
2160 revocation.
2161
- 2162 (k) When a License has been revoked, no new license shall be issued to the
2163 same Licensee for the period of two years after the revocation.
2164

(l) All Licensees are assumed to be fully aware of the law and the City shall not therefore be required to issue warnings before issuing citations for violation(s) of this Chapter.

(m) If the Authority suspends or revokes a license or imposes a fine the Licensee may appeal the fine, suspension or revocation to the Mesa County District Court pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The Licensee's failure to timely appeal the decision is a waiver of the Licensee's right to contest the fine imposed or the suspension or revocation of the Licensee.

(n) No fee or portion thereof previously paid by a Licensee in connection with a license shall be refunded if the licensee's license is suspended or revoked.

5.13.044 Remedies.

The City is specifically authorized to seek an injunction, abatement, restitution, or any remedy necessary to prevent, enjoin, remove or prosecute any violation or unlawful act under this Chapter, and any remedies provided for herein shall be cumulative and not exclusive and shall be in addition to any other remedies provided by law or in equity. Any and all action(s) shall be filed in the Municipal Court.

5.13.045 No City liability; indemnification.

(a) By accepting a license issued pursuant to this Chapter, the Licensee waives and releases the City, its officers, elected officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of business owners, operators, employees, clients or customers for a violation of municipal, state or federal laws, rules or regulations.

(b) By accepting a license issued pursuant to this Chapter, all Licensees, jointly and severally if more than one (1), agree to indemnify, defend and hold harmless the City, its officers, elected officials, employees, attorneys, agents and insurers against all liability, claims and demands on account of any injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the regulated cannabis business that is the subject of the license.

5.13.046 Severability.

This chapter is necessary to protect the public health, safety, and welfare of the residents of the City and covers matters of local concern or matters of mixed State and local concern as provided by § [44-11-101](#), C.R.S.

If any provision of this chapter is found to be unconstitutional or illegal, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severed or severable and shall continue in full force and effect.

5.13.047 Administrative regulations; Action by City Council.

(a) The City Manager is authorized to promulgate such rules, regulations, and forms as are necessary to effectuate the implementation, administration and enforcement of this Chapter.

(b) The City Council may consistent with the Charter and other applicable law amend this Chapter in order to stay current with applicable state laws, rules and regulations so long as no amendment, restriction, provision, rule or regulation shall be no less stringent than that imposed, if at all by Colorado law.

Introduced on first reading the _____ day of _____, 2022 and ordered published in pamphlet form.

Adopted on second reading this _____ day of _____ 2022 and ordered published in pamphlet form.

ATTEST:

C. B. McDaniel
President of City Council

Laura J. Bauer, Interim City Clerk
City Clerk

ORDINANCE NO. _____

**AN ORDINANCE TO AMEND TITLE 21 CHAPTER 4, CHAPTER 6, AND CHAPTER
10 AND TO AMEND TITLE 27, CHAPTER 27 OF THE ZONING AND DEVELOPMENT
CODE REGARDING USE STANDARDS AND FOR SPECIFIC BUFFERING
BETWEEN CERTAIN SCHOOLS, PARKS, AND REHABILITATION FACILITIES, AND
ADOPTING REGULATIONS FOR SIGNAGE OF CANNABIS BUSINESSES, AND
DEFINITIONS FOR SUCH BUSINESSES.**

RECITALS:

The City desires to maintain effective regulations in its Zoning and Development Code (Title 21 of the Grand Junction Municipal Code ("GJMC")); regulations that encourage and require appropriate use of land throughout the City while taking into consideration the needs and desires of the citizens of Grand Junction.

Although Federal law criminalizes the use and possession of marijuana as a Schedule 1 controlled substance under the Controlled Substance Act, on June 7, 2010, former Governor Ritter signed into law House Bill 10-1284 and Senate Bill 10-108 which, among other things, authorized the City to adopt an ordinance to license, regulate or prohibit the cultivation and/or sale of [marijuana cannabis](#) (C.R.S. 12-43.3-103(2)). The law also allowed a city to vote, either by a majority of the registered electors or a majority of the City Council, to prohibit the operation of medical [marijuana cannabis](#) centers, optional premises cultivation operations and medical [marijuana cannabis](#) infused products manufacturers.

At the time of House Bill 10-1284 and Senate Bill 10-108's passing, a moratorium was in effect in the City for the licensing, permitting and operation of [marijuana cannabis](#) businesses. The moratorium, which was initially declared in November 16, 2009 (through Ordinance 4437), was for a period of twelve months and applied to any person or entity applying to function, do business or hold itself out as a medical [marijuana cannabis](#) dispensary in the City of Grand Junction, regardless of the person, entity, or zoning. On October 13, 2020, City Council adopted Ordinance 4446 which extended the moratorium to July 1, 2011.

At the April 5, 2011 election, the electorate voted in favor of prohibiting the operation of medical [marijuana cannabis](#) businesses and the amendment of the Grand Junction Municipal Code by prohibiting certain uses of [marijuana cannabis](#) (Measure A).

On November 6, 2012, Colorado Amendment 64 was passed by the voters, amending Article 18 of the Colorado Constitution adding Section 16 which allows retail [marijuana cannabis](#) stores and made it legal for anyone 21 years or older to buy [marijuana cannabis](#) at such stores. In addition, Amendment 64 allows anyone over 21 years of age to legally possess and consume up to one ounce of [marijuana cannabis](#). Amendment 64 does not

change the Federal law; it still remains illegal under Federal law to produce and/or distribute [marijuana also known as](#) cannabis.

On February 6, 2013, City Council approved Resolution 07-13 adopting [marijuana cannabis](#) policies for the City and restrictions for persons or entities from applying to function, do business, or hold itself out as a [marijuana cannabis](#) facility, business or operation of any sort in the City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited the operation of [marijuana cannabis](#) cultivation facilities, [marijuana cannabis](#) product manufacturing facilities, [marijuana cannabis](#) testing facilities, and retail [marijuana cannabis](#) stores. Ordinance 4599 also amended Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibit certain uses relating to [marijuana cannabis](#).

In late 2015, the City, Mesa County and Colorado Mesa University, by and through the efforts of the Grand Junction Economic Partnership (GJEP), were successful in establishing the *Colorado Jumpstart* business development program. One business which was awarded the first *Jumpstart* incentive planned to develop a laboratory and deploy its advanced analytical processes for genetic research and its ability to mark/trace chemical properties of agricultural products, one of which was cannabis. In October 2016, City Council passed Ordinance 4722 which amended Ordinance 4599 and Section 21.04.010 of the Grand Junction Municipal Code to allow cannabis testing facilities in the City.

On January 20, 2021 the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021 to repeal Referred Measure A contingent on and subject to voter approval of taxation of cannabis businesses. A majority of the votes cast at the election were in favor of repealing the moratorium on cannabis businesses and in favor of taxation of cannabis businesses.

City Council has decided to allow certain retail cannabis businesses within the City. City Council has requested that staff prepare an ordinance to repeal the prohibition of cannabis businesses from the Grand Junction Municipal Code and to include rules and regulations for licensing and operating retail cannabis businesses.

City staff and community members, including the Cannabis Working Group, have researched, reviewed, and discussed various approaches to taxation, permitting and regulation of retail cannabis within the City. Regulations for cannabis uses have been established at the state level with the adoption and implementation of the Colorado [Marijuana Cannabis](#) Code in the Colorado Revised Statutes (C.R.S. 44-10-101, *et. seq.*); however, regulation of retail [marijuana cannabis](#) uses at the state level alone are inadequate to address the impacts on the City of regulated cannabis, making it appropriate for the City to regulate the impacts of retail cannabis uses.

The City has a valid interest in regulating zoning and other impacts of cannabis businesses in a manner that is consistent with constitutional and statutory standards. The City Council desires to facilitate the provision of quality retail cannabis in a safe manner

80 while protecting existing uses within the City. Regulation of the manner of operation and
81 location of retail cannabis uses is necessary to protect the health, safety and welfare of
82 both the public and the customers. The proposed ordinance is intended to allow certain
83 regulated cannabis businesses that will have a minimal impact and where potential
84 negative impacts are minimized.

85 This proposed ordinance amends the City's Code to permit cannabis businesses in the
86 specific zone districts where general indoor retail sales are permitted and provides for
87 buffering from specific land uses including parks, certain schools and specific
88 rehabilitation facilities. This ordinance also includes regulations for signage and
89 definitions for cannabis businesses.

90 After public notice and public hearing as required by the Grand Junction Zoning and
91 Development Code, the Grand Junction Planning Commission recommended approval
92 of the proposed amendments.

93 After public notice and public hearing, the Grand Junction City Council finds that the
94 amendments to allow certain retail cannabis businesses by and through the uses and the
95 Use Table, are responsive to the community's desires and otherwise advance and protect
96 the public health, safety and welfare of the City and its residents.

97 **NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF**
98 **GRAND JUNCTION THAT THE FOLLOWING SECTIONS OF THE ZONING AND**
99 **DEVELOPMENT CODE (TITLE 21 OF THE GRAND JUNCTION MUNICIPAL CODE)**
100 **ARE AMENDED AS FOLLOWS (new text additions underlined and deletions marked**
101 **with strike-through notations):**

102 21.04.010 (d) Use table.

103 ~~Marijuana related business, whether retail, commercial, industrial or agricultural, except~~
104 ~~marijuana testing facility(ies) are prohibited in all zone districts in accordance with~~
105 ~~Chapter 5.15 GJMC. Marijuana testing facility(ies) is (are) allowed in the zone districts~~
106 ~~shown.~~

107
108 ~~Marijuana testing facilities shall be categorized as/under the "industrial services,~~
109 ~~contractors and trade shops, oil and gas support operations without hazardous materials"~~
110 ~~category of the use zone matrix as "research, testing, and laboratory facilities — indoors~~
111 ~~(including marijuana testing facilities)" as allowed uses in B-2, C-1, C-2, MU, BP, IO, I-1~~
112 ~~and 1-2 zone districts.~~

113

114

115

116

117

118

119

120

121 21.04.010 Use Table.

Key: A = Allowed, C = Conditional, Blank Cell = Not Permitted																								
Use Category	Principal Use	R-R	R-E	R-1	R-2	R-4	R-5	R-8	R-12	R-16	R-24	R-O	B-1	B-2	C-1	C-2	CSR	M-U	BP	I-O	I-1	I-2	M X-	Std.
Retail-Sales and Services	Marijuana Related Business																							Ch 5.15
Retail Sales and Service	Retail Cannabis Store												A	A	A	A		A	A				A	Ch. 21.0 4.03 6(w)

122

123

124 21.04.030 Use-specific standards.

125

126 (w) Retail Cannabis Stores

127

128 (1) Applicability. These regulations apply to all Retail Cannabis Stores in the City
 129 in addition to the other provisions in the GJMC pertaining to cannabis stores,
 130 including but not limited to, GJMC Chapters 5.13 and 5.14.

131

132 (2) Zoning.

133

134 (i) It is unlawful for a Retail Cannabis Store to operate in a building which
 135 contains a Dwelling Unit.

136

137 (ii) There shall be no more than two Retail Cannabis Stores operating within
 138 the boundaries of the Horizon Drive Business Improvement District, as may
 139 be amended.

140

141 (iii) There shall be no regulated cannabis businesses located on the ground
 142 floor of any buildings in the Downtown Grand Junction area defined as Main
 143 Street bounded by the west intersection line of First Street and bounded by
 144 the east by the centerline of 7th Street.

145

146 (3) Buffering.

147 (i) No Retail Cannabis Stores shall be located:

148 (A) Within 1000 feet of any private or public elementary, middle, junior
149 high, ~~or high school or institution of higher learning.~~

Commented [NG1]: Direction from Council 02.14.22

150
151 (B) Within 1000 feet of Colorado Mesa University (Main Campus) and
152 Western Colorado Community College.

153
154 ~~(C) Within 500 feet of all public parks or undeveloped park lands as~~
155 ~~provided in the Parks, Recreation and Open Space Master Plan, as~~
156 ~~amended.~~

Commented [NG2]: Direction from Council 02.14.22

157
158 ~~(D)~~(C) Within 500 feet of any services for prevention, treatment or recovery
159 from substance use and mental health concerns, as licensed by the
160 Colorado Department of Human Services, Office of Behavioral
161 Health (OBH).

162
163 (ii) Buffering Distance Computation. The buffering distance shall be computed
164 by direct measurement from the nearest property line of the land use to the
165 nearest portion of the building or unit in which the retail cannabis is to be
166 sold, using a route of direct pedestrian access, measured as a person would
167 walk safely and properly, without trespassing, with right angles at crossings
168 and with the observance of traffic regulations and traffic signals.
169

170 21.06.070 Sign Regulation

171
172 (j) Cannabis Retail Store Signage and Advertising
173

174 (1) All signs and advertising for a Retail Cannabis Stores shall comply with all
175 applicable provisions of the Colorado Cannabis Code, any regulations adopted
176 pursuant thereto, the provisions of this Chapter and Chapter 6, and the City's
177 ordinances and regulations regarding signs and advertising.

178
179 (2) No sign shall use the terms "pharmacy", "pharmacist", "pharmaceutical", "rx",
180 or any other similar variation of such terms as its corporate, business, or "doing
181 business as" name, so as to prevent a reasonable person from concluding such
182 business is involved in the practice of pharmacy, as regulated by
183 Pharmaceuticals and Pharmacists, C.R.S. Article 22 of Chapter 12.
184 Additionally, no Retail Cannabis Stores may use any of the above terms or any
185 similar variation thereof in any of its signs, placards, promotional, or advertising
186 materials. Additionally, no signs that mimic or allude to pharmacy or medical
187 related symbols, including but not limited to medical style crosses regardless
188 of proportions or colors, shall be used or displayed in nonmedical retail
189 cannabis stores.

190
191 (3) No sign shall include advertising material that is misleading, deceptive or false
192 or that, as evidenced by the content of the advertising material or by the
193 medium or the manner in which the advertising material is disseminated, is
194 designed to appeal to persons under eighteen (18) years of age.

195
196 (4) Maximum Sign Dimensions:

197
198 (i) For properties that lie within an existing overlay district regulated by Title
199 22, Title 24, Title 25, or Title 26, the specific regulations within the overlay
200 shall apply.

201
202 (ii) For all other properties within the City, only flush wall mounted signs or
203 monument signs shall be allowed. Maximum sign allowances shall be
204 calculated according to the provisions of this Chapter and subject to the
205 following limitations:

206
207 (A) Maximum Height: 20 feet; and, -

208
209 (B) Maximum Area: 150 square feet per sign face.

210
211 (4)(5) Signs and Advertising not requiring a permit include:

212
213 (i) Sign-wavers or other natural persons standing in the public. No Retail
214 Cannabis Stores shall advertise with sign-wavers or other natural persons
215 within the buffering distances from specified land uses as provided in
216 w.3(a) above.

217
218 (ii) Any advertisement contained within a newspaper, magazine, or other
219 periodical of general circulation within the City or on the internet, which may
220 include coupons.

221
222 (iii) Any non-consumable merchandise or accessories.

223
224 (iv) A booth at an adult event or job fair where the only items distributed are
225 company or educational materials and no other items are distributed,
226 shown or sold.

227
228 (v) Business cards within the business or handed directly to an individual who
229 is over the age of 21.

230
231 (vi) Showing a government-issued verification of age or military status, or
232 registration for a charitable event, or similar item the showing of which,

without providing a separate printing to the business, entitles the holder to a discount for a particular product or service.

(vii) Company materials and educational materials distributed inside the cannabis business.

27.12.040 Signage.

(b) Freestanding signs shall comply with the following requirements:

(8) Maximum sign dimensions shall not exceed the following:

(iv) For all other properties, and for any regulated cannabis business, the maximum sign dimensions shall not exceed the following:

(A) 20 twenty feet in height; and,

(B) 75 seventy-five square feet.

21.10.020 Terms Defined

Cannabis testing facility(ies) is an entity licensed to analyze and certify safety and potency of cannabis.

Medical Cannabis Store is an entity licensed co-located with a retail cannabis store that sells medical cannabis to registered patients or primary caregivers as defined in Section 14 of Article XVIII of the Colorado constitution, but is not a primary caregiver.

Retail cannabis cultivation facility is an entity licensed to cultivate, prepare, and package cannabis and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, and to other cannabis cultivation facilities, but not to consumer.

Retail cannabis hospitality and sales business is a facility that cannot be mobile, that is licensed to permit the consumption of only the retail cannabis or retail cannabis products it has sold pursuant to the provisions of an enacted, initiated, or referred ordinance or resolution of the local jurisdiction in which the licensee operates.

Retail cannabis products manufacturing facility is an entity licensed to purchase cannabis; manufacture, prepare, and package cannabis products; and sell cannabis and cannabis products to other cannabis product manufacturing facilities and to retail cannabis stores, but not to consumers.

276
277 Retail cannabis transporter business is an entity or person that is licensed to transport
278 retail cannabis and retail cannabis products from one retail cannabis business to another
279 retail cannabis business and to temporarily store the transported retail cannabis and retail
280 cannabis products at its licensed premises but is not authorized to sell retail cannabis or
281 retail cannabis products under any circumstances.

282
283 Retail cannabis store is an entity licensed to purchase cannabis from cannabis cultivation
284 facilities and to sell cannabis to consumers and retail cannabis testing facilities that are
285 licensed to analyze and certify the safety and potency of cannabis.

286
287 All other provisions of Title 21 Chapter 4, Chapter 6, and Chapter 10 shall remain in full
288 force and effect.

289
290 Introduced on first reading the _____ day of _____,
291 2022 and ordered published in pamphlet form.

292
293 Adopted on second reading this ____ day of _____ 2022 and ordered published in
294 pamphlet form.

295
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297
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299 ATTEST:

C.B. McDaniel
President of City Council

300
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303 _____
304 Laura J. Bauer, MMC
305 Interim City Clerk
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RECITALS:

Although Federal law criminalizes the use and possession of marijuana as a Schedule 1 controlled substance under the Controlled Substance Act, on June 7, 2010, former Governor Ritter signed into law House Bill 10-1284 and Senate Bill 10-108 which, among other things, authorized the City to adopt an ordinance to license, regulate or prohibit the cultivation and/or sale of marijuana (C.R.S. 12-43.3-103(2)). The law also allowed a city to vote, either by a majority of the registered electors or a majority of the City Council, to prohibit the operation of medical marijuana centers, optional premises cultivation operations and medical marijuana infused products manufacturers.

At the time of House Bill 10-1284 and Senate Bill 10-108's passing, a moratorium was in effect in the City for the licensing, permitting and operation of marijuana businesses. The moratorium, which was initially declared on November 16, 2009 (through Ordinance 4437), was for a period of twelve months and applied to any person or entity applying to function, do business or hold itself out as a medical marijuana dispensary in the City of Grand Junction, regardless of the person, entity, or zoning. On October 13, 2020, City Council adopted Ordinance 4446 which extended the moratorium to July 1, 2011.

At the April 5, 2011 election, the electorate voted in favor of prohibiting the operation of medical marijuana businesses and the amendment of the Grand Junction Municipal Code by prohibiting certain uses of marijuana (Measure A).

On November 6, 2012, Colorado Amendment 64 was passed by the voters, amending Article 18 of the Colorado Constitution adding Section 16 which allows retail marijuana stores and made it legal for anyone 21 years or older to buy marijuana at such stores. In addition, Amendment 64 allows anyone over 21 years of age to legally possess and consume up to one ounce of marijuana. Amendment 64 does not change the Federal law; it still remains illegal under Federal law to produce and/or distribute marijuana also known as cannabis.

40 On February 6, 2013, City Council approved Resolution 07-13 adopting marijuana
41 policies for the City and restrictions for persons or entities from applying to function, do
42 business, or hold itself out as a marijuana facility, business, or operation of any sort in the
43 City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited
44 the operation of marijuana cultivation facilities, marijuana product manufacturing facilities,
45 marijuana testing facilities, and retail marijuana stores. Ordinance 4599 also amended
46 Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibit certain
47 uses relating to marijuana.

48 In late 2015, the City, Mesa County and Colorado Mesa University, by and through the
49 efforts of the Grand Junction Economic Partnership (GJEP), were successful in
50 establishing the *Colorado Jumpstart* business development program. One business
51 which was awarded the first *Jumpstart* incentive planned to develop a laboratory and
52 deploy its advanced analytical processes for genetic research and its ability to mark/trace
53 chemical properties of agricultural products, one of which was cannabis. In October 2016,
54 City Council passed Ordinance 4722 which amended Ordinance 4599 and Section
55 21.04.010 of the Grand Junction Municipal Code to allow cannabis testing facilities in the
56 City.

57 On January 20, 2021 the City Council approved Resolution 09-21, the adoption of which
58 referred a ballot question to the regular municipal election on April 6, 2021 to repeal
59 Referred Measure A contingent on and subject to voter approval of taxation of cannabis
60 businesses. A majority of the votes cast at the election were in favor of repealing the
61 moratorium on cannabis businesses and in favor of taxation of cannabis businesses.

62 City Council has decided to allow certain retail cannabis businesses within the City. City
63 Council has requested that staff prepare an ordinance to repeal the prohibition of
64 cannabis businesses from the Grand Junction Municipal Code and to include rules and
65 regulations for licensing and operating retail cannabis businesses.

66 City staff and community members, including the Cannabis Working Group, have
67 researched, reviewed, and discussed various approaches to taxation, permitting and
68 regulation of retail cannabis within the City. Regulations for cannabis uses have been
69 established at the state level with the adoption and implementation of the Colorado
70 Marijuana Code in the Colorado Revised Statutes (C.R.S. 44-10-101, *et. seq.*); however,
71 regulation of retail marijuana uses at the state level alone are inadequate to address the
72 impacts on the City of regulated cannabis, making it appropriate for the City to regulate
73 the impacts of retail cannabis uses.

74 The City has a valid interest in regulating zoning and other impacts of cannabis
75 businesses in a manner that is consistent with constitutional and statutory standards. The
76 City Council desires to facilitate the provision of quality retail cannabis in a safe manner
77 while protecting existing uses within the City. Regulation of the manner of operation and
78 location of retail cannabis uses is necessary to protect the health, safety and welfare of
79 both the public and the customers. The proposed ordinance is intended to allow certain

80 regulated cannabis businesses that will have a minimal impact and where potential
81 negative impacts are minimized.

82 This proposed ordinance amends the City's Code to permit cannabis businesses in the
83 specific zone districts where general indoor retail sales are permitted and provides for
84 buffering from specific land uses including parks, certain schools and specific
85 rehabilitation facilities. This ordinance also includes regulations for signage and
86 definitions for cannabis businesses.

87 After public notice and public hearing as required by the Grand Junction Zoning and
88 Development Code, the Grand Junction Planning Commission recommended approval
89 of the proposed amendments.

90 After public notice and public hearing, the Grand Junction City Council finds that the
91 amendments to allow certain retail cannabis businesses by and through the uses and the
92 Use Table, are responsive to the community's desires and otherwise advance and protect
93 the public health, safety and welfare of the City and its residents.

94 **NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF**
95 **GRAND JUNCTION THAT THE FOLLOWING SECTIONS OF THE ZONING AND**
96 **DEVELOPMENT CODE (TITLE 21 OF THE GRAND JUNCTION MUNICIPAL CODE)**
97 **ARE AMENDED AS FOLLOWS (new text additions underlined and deletions marked**
98 **with strike-through notations):**

99 21.04.010 (d) Use table.

100 ~~Marijuana related business, whether retail, commercial, industrial or agricultural, except~~
101 ~~marijuana testing facility(ies) are prohibited in all zone districts in accordance with~~
102 ~~Chapter 5.15 GJMC. Marijuana testing facility(ies) is (are) allowed in the zone districts~~
103 ~~shown.~~

104
105 ~~Marijuana testing facilities shall be categorized as/under the "industrial services,~~
106 ~~contractors and trade shops, oil and gas support operations without hazardous materials"~~
107 ~~category of the use zone matrix as "research, testing, and laboratory facilities — indoors~~
108 ~~(including marijuana testing facilities)" as allowed uses in B-2, C-1, C-2, MU, BP, IO, I-1~~
109 ~~and 1-2 zone districts.~~

110

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118 21.04.010 Use Table.

Key: A = Allowed, C = Conditional, Blank Cell = Not Permitted																								
Use Category	Principal Use	R-R	R-E	R-1	R-2	R-4	R-5	R-8	R-12	R-16	R-24	R-O	B-1	B-2	C-1	C-2	CSR	M-U	BP	I-O	I-1	I-2	M X-	Std.
Retail Sales and Services	Marijuana Related Business																							Ch. 5.15
Retail Sales and Service	Retail Cannabis Store												A	A	A	A		A	A				A	Ch. 21.0 4.03 (W)

119

120

121 21.04.030 Use-specific standards.

122

123 (w) Retail Cannabis Stores

124

125 (1) Applicability. These regulations apply to all Retail Cannabis Stores in the City
 126 in addition to the other provisions in the GJMC pertaining to cannabis stores,
 127 including but not limited to, GJMC Chapters 5.13 and 5.14.

128

129 (2) Zoning.

130

131 (i) It is unlawful for a Retail Cannabis Store to operate in a building which
 132 contains a Dwelling Unit.

133

134 (ii) There shall be no more than two Retail Cannabis Stores operating within
 135 the boundaries of the Horizon Drive Business Improvement District, as may
 136 be amended.

137

138 (iii) There shall be no regulated cannabis businesses located on the ground
 139 floor of any buildings in the Downtown Grand Junction area defined as Main
 140 Street bounded by the west intersection line of First Street and bounded by
 141 the east by the centerline of 7th Street.

142

143 (3) Buffering.

144 (i) No Retail Cannabis Stores shall be located:

(A) Within 1000 feet of any private or public elementary, middle, junior high, or high school.

Commented [NG1]: Direction from Council 02.14.22

(B) Within 1000 feet of Colorado Mesa University (Main Campus) and Western Colorado Community College.

(C) Within 500 feet of any services for prevention, treatment or recovery from substance use and mental health concerns, as licensed by the Colorado Department of Human Services, Office of Behavioral Health (OBH).

Commented [NG2]: Direction from Council 02.14.22

(ii) Buffering Distance Computation. The buffering distance shall be computed by direct measurement from the nearest property line of the land use to the nearest portion of the building or unit in which the retail cannabis is to be sold, using a route of direct pedestrian access, measured as a person would walk safely and properly, without trespassing, with right angles at crossings and with the observance of traffic regulations and traffic signals.

21.06.070 Sign Regulation

(j) Cannabis Retail Store Signage and Advertising

(1) All signs and advertising for a Retail Cannabis Stores shall comply with all applicable provisions of the Colorado Cannabis Code, any regulations adopted pursuant thereto, the provisions of this Chapter and Chapter 6, and the City's ordinances and regulations regarding signs and advertising.

(2) No sign shall use the terms "pharmacy", "pharmacist", "pharmaceutical", "rx", or any other similar variation of such terms as its corporate, business, or "doing business as" name, so as to prevent a reasonable person from concluding such business is involved in the practice of pharmacy, as regulated by Pharmaceuticals and Pharmacists, C.R.S. Article 22 of Chapter 12. Additionally, no Retail Cannabis Stores may use any of the above terms or any similar variation thereof in any of its signs, placards, promotional, or advertising materials. Additionally, no signs that mimic or allude to pharmacy or medical related symbols, including but not limited to medical style crosses regardless of proportions or colors, shall be used or displayed in nonmedical retail cannabis stores.

(3) No sign shall include advertising material that is misleading, deceptive or false or that, as evidenced by the content of the advertising material or by the medium or the manner in which the advertising material is disseminated, is designed to appeal to persons under eighteen (18) years of age.

188
189 (4) Maximum Sign Dimensions:
190

191 (i) For properties that lie within an existing overlay district regulated by Title
192 22, Title 24, Title 25, or Title 26, the specific regulations within the overlay
193 shall apply.

194
195 (ii) For all other properties within the City, only flush wall mounted signs or
196 monument signs shall be allowed. Maximum sign allowances shall be
197 calculated according to the provisions of this Chapter and subject to the
198 following limitations:

199
200 (A) Maximum Height: 20 feet; and,

201
202 (B) Maximum Area: 150 square feet per sign face.
203

204 (5) Signs and Advertising not requiring a permit include:
205

206 (i) Sign-wavers or other natural persons standing in the public. No Retail
207 Cannabis Stores shall advertise with sign-wavers or other natural persons
208 within the buffering distances from specified land uses as provided in
209 w.3(a) above.
210

211 (ii) Any advertisement contained within a newspaper, magazine, or other
212 periodical of general circulation within the City or on the internet, which may
213 include coupons.
214

215 (iii) Any non-consumable merchandise or accessories.
216

217 (iv) A booth at an adult event or job fair where the only items distributed are
218 company or educational materials and no other items are distributed,
219 shown or sold.
220

221 (v) Business cards within the business or handed directly to an individual who
222 is over the age of 21.
223

224 (vi) Showing a government-issued verification of age or military status, or
225 registration for a charitable event, or similar item the showing of which,
226 without providing a separate printing to the business, entitles the holder to
227 a discount for a particular product or service.
228

229 (vii) Company materials and educational materials distributed inside the
230 cannabis business.
231
232

27.12.040 Signage.

(b) Freestanding signs shall comply with the following requirements:

(8) Maximum sign dimensions shall not exceed the following:

(iv) For all other properties, and for any regulated cannabis business, the maximum sign dimensions shall not exceed the following:

(A) 20 twenty feet in height; and,

(B) 75 seventy-five square feet.

21.10.020 Terms Defined

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Retail cannabis cultivation facility is an entity licensed to cultivate, prepare, and package cannabis and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, and to other cannabis cultivation facilities, but not to consumer.

Retail cannabis hospitality and sales business is a facility that cannot be mobile, that is licensed to permit the consumption of only the retail cannabis or retail cannabis products it has sold pursuant to the provisions of an enacted, initiated, or referred ordinance or resolution of the local jurisdiction in which the licensee operates.

Retail cannabis products manufacturing facility is an entity licensed to purchase cannabis; manufacture, prepare, and package cannabis products; and sell cannabis and cannabis products to other cannabis product manufacturing facilities and to retail cannabis stores, but not to consumers.

Retail cannabis transporter business is an entity or person that is licensed to transport retail cannabis and retail cannabis products from one retail cannabis business to another retail cannabis business and to temporarily store the transported retail cannabis and retail cannabis products at its licensed premises but is not authorized to sell retail cannabis or retail cannabis products under any circumstances.

276 Retail cannabis store is an entity licensed to purchase cannabis from cannabis cultivation
277 facilities and to sell cannabis to consumers and retail cannabis testing facilities that are
278 licensed to analyze and certify the safety and potency of cannabis.

279
280 All other provisions of Title 21 Chapter 4, Chapter 6, and Chapter 10 shall remain in full
281 force and effect.

282
283 Introduced on first reading the _____ day of _____,
284 2022 and ordered published in pamphlet form.

285
286 Adopted on second reading this ____ day of _____ 2022 and ordered published in
287 pamphlet form.

288
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291
292 ATTEST: _____
293 C.B. McDaniel
294 President of City Council

295
296 _____
297 Laura J. Bauer, MMC
298 Interim City Clerk

299

ORDINANCE NO. _____

**AN ORDINANCE TO AMEND TITLE 3 OF THE GRAND JUNCTION MUNICIPAL
CODE TO INCLUDE A RETAIL MARIJUANA SALES AND USE TAX AND A
MARIJUANA EXCISE TAX.**

RECITALS:

In October 2010, the City Council adopted Ordinance 4437 which prohibited the operation of medical marijuana businesses in the City limits and amended the Grand Junction Municipal Code by the addition of certain sections prohibiting specified uses relating to marijuana. A petition protesting the passage of Ordinance 4437 was filed, found to be sufficient, and the Ordinance was suspended.

In December 2010 the City Council approved a ballot question referring Ordinance 4437 to the regular municipal election on April 5, 2011. Referred Measure A was approved by the voters, prohibiting the operation of medical marijuana businesses and amended the Grand Junction Municipal Code to prohibit certain uses relating to marijuana.

Colorado Amendment 64 was passed by the voters on November 6, 2012. Amendment 64 included an amendment to Article 18 of the Colorado Constitution by adding a new Section 16 regarding the personal use and regulation of marijuana. Amendment 64 allows retail marijuana stores and makes it legal for anyone 21 years or older to buy marijuana at those stores. The Amendment allows anyone over 21 years of age to legally possession and consume up to one ounce of marijuana. Amendment 64 required the State to develop and adopt laws, regulations, and processes concerning marijuana.

In February 2013, City Council approved Resolution 07-13, adopting marijuana policies for the City and restrictions for persons or entities from applying to function, do business, or hold itself out as a marijuana facility, business or operation in the City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores. It also amended Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibit certain uses relating to marijuana.

In late 2015, the City, Mesa County and Colorado Mesa University, by and through the efforts of the Grand Junction Economic Partnership (GJEP), were successful in establishing the *Colorado Jumpstart* business development program. One business who was awarded the first *Jumpstart* incentive planned to develop a laboratory and deploy its advanced analytical processes for genetic research and its ability to mark/trace chemical properties of agricultural products, one of which was marijuana. In October 2016, City Council passed Ordinance 4722 which amended Ordinance 4599 and Section 21.04.010 of the Grand Junction Municipal Code to allow marijuana testing facilities in the City.

City staff and community members, including the Marijuana Working Group, have researched, reviewed and discussed various approaches to taxation, permitting and regulation of marijuana within the City and provided to City Council such information and recommendation for the moratorium to be lifted on marijuana businesses.

On January 20, 2021 the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021 to repeal Referred Measure A contingent on and subject to voter approval of taxation of marijuana businesses. A majority of the votes cast at the election were in favor of repealing the moratorium on marijuana businesses and in favor of taxation of marijuana businesses.

City Council has determined to allow retail marijuana businesses within the City. On _____, Ordinance No. _____ was approved by City Council which developed rules and regulation for licensing and operating retail marijuana businesses.

There are indirect costs to the City of the use of marijuana that are not covered by the license and application fees paid by the retail marijuana business. Many of those costs are related to the fact that marijuana is illegal at the federal level and the state has not been able to fully fund enforcement of laws adopted at the state level, leaving enforcement of marijuana laws to the local municipalities. Further, there are not comprehensive substance abuse programs related to the legal use of marijuana.

Imposing both an excise tax and a special sales and use tax on marijuana and marijuana businesses would provide resources necessary for the City to be able to pay the indirect costs, including education and programs, related to the use of marijuana.

City Council requested that staff prepare an ordinance that approves a sales and use tax of six percent and an excise tax of five percent.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

Title 3 of the Grand Junction Municipal Code (GJMC) shall be amended as follows (additions shown in **bold print** and deletions shown with ~~strike-through~~):

3.12.020 Definitions.

***Marijuana* also known as *cannabis*, shall have the same meaning as the term “usable form of marijuana” as set forth in Article XVIII, Section 16(2) of the Colorado Constitution or as may be more fully defined in any applicable State law or regulation. “Marijuana” may alternatively be spelled “marihuana”.**

***Retail marijuana* has the same meaning as set forth in Section 16(2)(f) of Article XVIII of the Colorado Constitution.**

***Retail marijuana products* has the same meaning as set forth in Section 16(2)(k) of Article XVIII of the Colorado Constitution.**

Retail marijuana store has the same meaning as set forth in Section 16(2)(n) of Article XVIII of the Colorado Constitution (an entity licensed to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers).

3.12.030 Levied.

(d) In addition to the general sales and use tax of 3.25 percent levied in subsection (a) above, there is hereby levied a special sales and use tax of 6 percent on the full purchase price paid or charged for tangible personal property and taxable services purchased or sold at retail by any retail marijuana store exercising a taxable privilege in the City by the sale of such property or services. Each retail marijuana store shall collect tax on every sale or transfer of retail marijuana product(s). The 9.25% sales and use tax shall be collected by the vendor and remitted to the City.

All revenue derived through the general sales tax of 3.25 percent on retail marijuana sales shall be used for general municipal purposes and may be restricted by previous voter action.

All revenue derived through the special sales and use tax of 6 percent on retail marijuana sales shall be used for the enforcement of regulations on the regulated marijuana industry and other costs related to the regulation of regulated marijuana and lawful utilization of marijuana, the building, operating and maintenance of the highest priorities of the adopted Parks and Recreation Open Space Plan which includes indoor and outdoor recreating and park facilities, capital improvements and enhancements to the City's Parks, trails and open space, public safety, enforcement and administrative purposes and for comprehensive substance abuse programs including, without limitation, prevention, treatment, education, responsible use, intervention, and monitoring ~~of unlawful consumption of marijuana ; with an emphasis on youth with the remainder used to fund other governmental expenses including police, fire, transportation and general government, all~~— as approved by voters in April 2019 with the passage of ballot measure 2A.

3.12.070 Exemptions from sales tax.

Wholesale sales means a sale by a wholesaler to retailers, jobbers, dealers or other wholesalers for resale and does not include a sale by wholesalers to users or consumers not for resale; latter types of sales shall be deemed to be retail sales and shall be subject to the provisions of this chapter. **Wholesale sales of retail marijuana are subject to an excise tax under the provisions of this Chapter.**

Chapter 3.16 Retail Marijuana Excise Tax

3.16.010 Purpose and legislative intent.

The City Council intends that an excise tax be imposed on the first sale or transfer of unprocessed retail marijuana by a retail cultivation facility within the City. ~~The purpose of this tax is to increase the revenue base for the City and such Revenue derived through the retail marijuana excise tax shall be used for the enforcement of regulations on the regulated marijuana industry and other costs related to the implementation of the use and regulation of regulated marijuana an lawful utilization of marijuana, the building, operating and maintenance of the highest priorities of the adopted Parks and Recreation Open Space Plan which includes indoor and outdoor recreating and park facilities, capital improvements and enhancements to the City's Parks, trails and open space, public safety, enforcement and administrative purposes and for comprehensive substance abuse programs including, without limitation, prevention, treatment, education, responsible use, intervention, and monitoring~~ of unlawful consumption of marijuana. ~~, with an emphasis on youth with the remainder used to fund other governmental expenses including police, fire, transportation and general government.~~

3.16.020 Definitions.

As used in this Chapter, *average market rate* means the amount determined by the State pursuant to Section 39-28.8-101(1), C.R.S., as the average price of unprocessed retail marijuana that is sold or transferred from a retail marijuana cultivation facility to a retail marijuana store or retail marijuana products manufacturer. All other terms in this Chapter shall have the same meaning as set forth in Title 5 Chapter 13 of this Code.

3.16.030 Imposition and rate of tax.

There is hereby levied an excise tax of 5 percent upon the average market rate of unprocessed retail marijuana that is sold or transferred from a retail marijuana cultivation facility to a retail marijuana store or retail marijuana products manufacturer.

3.16.040 Vendor liable for tax.

Each retail marijuana cultivation facility shall collect the tax imposed in Section 3.16.030 above upon every sale or transfer of unprocessed retail marijuana from the cultivation facility. The person charged with the duty to collect taxes also has the burden of proving that any transaction is not subject to the tax imposed by this Article.

3.16.050 Taxes collected held in trust.

All sums of money paid by any person or facility to a cultivation facility as excise taxes pursuant to this Article are public monies that are the property of the City. The person required to collect and remit retail marijuana excise taxes shall hold such monies in trust for the sole use and benefit of the City until paying them to the Finance Director.

3.16.060 Licensing and reporting.

(a) Every person with a duty to collect the excise tax imposed by this Article shall obtain a tax license pursuant to Title 5 Chapter 13 of this Code, report such taxes collected on forms and remit such taxes to the City as prescribed by the Finance Director. ~~to the City on or before the 20th day of the month for the preceding month under report.~~ A tax license shall be valid so long as:

(1) the business remains in continuous operation

(2) the license is not canceled by the licensee or revoked by the City; and

(3) the business holds a valid retail marijuana license from the City pursuant to Title 5 Chapter 13 of this Code.

(b) The tax license may be canceled or revoked by the City as provided in Chapter 12 Section 250 of this Title.

(c) Whenever a business entity that is required to be licensed under this Article is sold, purchased or transferred, so that the ownership interest of the purchaser or seller changes in any respect, the purchaser shall obtain a new tax license.

(d) Every person engaged in the retail marijuana cultivation business in the City shall keep books and records according to the standards of the Finance Director and subject to the Finance Director's right to audit set forth in GJMC Section 3.12.270.

(e) The provisions set forth in Sections 3.12.260, 3.12.270, 3.12.290, 3.12.300, 3.12.330 thru 3.12.580 of this Code shall all apply to retail marijuana excise taxation by the City.

3.16.070 Duties and powers of the Finance Director.

The Finance Director is authorized to administer the provisions of this Chapter.

3.16.080 Prohibited acts.

It is unlawful and a violation of this Code for any retail marijuana business to sell or transfer unprocessed retail marijuana without the tax license required by this Article, the retail marijuana license required by Title 5 Chapter 13 of this Code and any other license(s) required by law, to willfully make any false or fraudulent return

189 or false statement on any return, or to willfully evade the payment of the tax, or any
190 part thereof, as imposed by this Chapter.

191
192 **ALL OTHER PROVISIONS OF TITLE 3 SHALL REMAIN IN FULL FORCE AND**
193 **EFFECT.**

194
195 Introduced on first reading the _____ day of _____,
196 2022 and ordered published in pamphlet form.

197
198 Adopted on second reading this ____ day of _____ 2022 and ordered published in
199 pamphlet form.

200
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203 ATTEST:

C.B. McDaniel
President of City Council

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MARIJUANA EXCISE TAX.**

RECITALS:

In October 2010, the City Council adopted Ordinance 4437 which prohibited the operation of medical marijuana businesses in the City limits and amended the Grand Junction Municipal Code by the addition of certain sections prohibiting specified uses relating to marijuana. A petition protesting the passage of Ordinance 4437 was filed, found to be sufficient, and the Ordinance was suspended.

In December 2010 the City Council approved a ballot question referring Ordinance 4437 to the regular municipal election on April 5, 2011. Referred Measure A was approved by the voters, prohibiting the operation of medical marijuana businesses and amended the Grand Junction Municipal Code to prohibit certain uses relating to marijuana.

Colorado Amendment 64 was passed by the voters on November 6, 2012. Amendment 64 included an amendment to Article 18 of the Colorado Constitution by adding a new Section 16 regarding the personal use and regulation of marijuana. Amendment 64 allows retail marijuana stores and makes it legal for anyone 21 years or older to buy marijuana at those stores. The Amendment allows anyone over 21 years of age to legally possession and consume up to one ounce of marijuana. Amendment 64 required the State to develop and adopt laws, regulations, and processes concerning marijuana.

In February 2013, City Council approved Resolution 07-13, adopting marijuana policies for the City and restrictions for persons or entities from applying to function, do business, or hold itself out as a marijuana facility, business or operation in the City limits. Later that same year, City Council adopted Ordinance 4599 which prohibited the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores. It also amended Sections in Title 5, Article 15 of the Grand Junction Municipal Code that prohibit certain uses relating to marijuana.

In late 2015, the City, Mesa County and Colorado Mesa University, by and through the efforts of the Grand Junction Economic Partnership (GJEP), were successful in establishing the *Colorado Jumpstart* business development program. One business who was awarded the first *Jumpstart* incentive planned to develop a laboratory and deploy its advanced analytical processes for genetic research and its ability to mark/trace chemical properties of agricultural products, one of which was marijuana. In October 2016, City Council passed Ordinance 4722 which amended Ordinance 4599 and Section 21.04.010 of the Grand Junction Municipal Code to allow marijuana testing facilities in the City.

City staff and community members, including the Marijuana Working Group, have researched, reviewed and discussed various approaches to taxation, permitting and regulation of marijuana within the City and provided to City Council such information and recommendation for the moratorium to be lifted on marijuana businesses.

On January 20, 2021 the City Council approved Resolution 09-21, the adoption of which referred a ballot question to the regular municipal election on April 6, 2021 to repeal Referred Measure A contingent on and subject to voter approval of taxation of marijuana businesses. A majority of the votes cast at the election were in favor of repealing the moratorium on marijuana businesses and in favor of taxation of marijuana businesses.

City Council has determined to allow retail marijuana businesses within the City. On _____, Ordinance No. _____ was approved by City Council which developed rules and regulation for licensing and operating retail marijuana businesses.

There are indirect costs to the City of the use of marijuana that are not covered by the license and application fees paid by the retail marijuana business. Many of those costs are related to the fact that marijuana is illegal at the federal level and the state has not been able to fully fund enforcement of laws adopted at the state level, leaving enforcement of marijuana laws to the local municipalities. Further, there are not comprehensive substance abuse programs related to the legal use of marijuana.

Imposing both an excise tax and a special sales and use tax on marijuana and marijuana businesses would provide resources necessary for the City to be able to pay the indirect costs, including education and programs, related to the use of marijuana.

City Council requested that staff prepare an ordinance that approves a sales and use tax of six percent and an excise tax of five percent.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

Title 3 of the Grand Junction Municipal Code (GJMC) shall be amended as follows (additions shown in **bold print** and deletions shown with ~~strike-through~~):

3.12.020 Definitions.

***Marijuana* also known as *cannabis*, shall have the same meaning as the term “usable form of marijuana” as set forth in Article XVIII, Section 16(2) of the Colorado Constitution or as may be more fully defined in any applicable State law or regulation. “Marijuana” may alternatively be spelled “marihuana”.**

***Retail marijuana* has the same meaning as set forth in Section 16(2)(f) of Article XVIII of the Colorado Constitution.**

***Retail marijuana products* has the same meaning as set forth in Section 16(2)(k) of Article XVIII of the Colorado Constitution.**

Retail marijuana store has the same meaning as set forth in Section 16(2)(n) of Article XVIII of the Colorado Constitution (an entity licensed to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers).

3.12.030 Levied.

(d) In addition to the general sales and use tax of 3.25 percent levied in subsection (a) above, there is hereby levied a special sales and use tax of 6 percent on the full purchase price paid or charged for tangible personal property and taxable services purchased or sold at retail by any retail marijuana store exercising a taxable privilege in the City by the sale of such property or services. Each retail marijuana store shall collect tax on every sale or transfer of retail marijuana product(s). The 9.25% sales and use tax shall be collected by the vendor and remitted to the City.

All revenue derived through the general sales tax of 3.25 percent on retail marijuana sales shall be used for general municipal purposes and may be restricted by previous voter action.

All revenue derived through the special sales and use tax of 6 percent on retail marijuana sales shall be used for the enforcement of regulations on the regulated marijuana industry and other costs related to the regulation of regulated marijuana and lawful utilization of marijuana, the building, operating and maintenance of the highest priorities of the adopted Parks and Recreation Open Space Plan which includes indoor and outdoor recreating and park facilities, capital improvements and enhancements to the City's Parks, trails and open space, public safety, enforcement and administrative purposes and for comprehensive substance abuse programs including, without limitation, prevention, treatment, education, responsible use, intervention, and monitoring of unlawful consumption of marijuana as approved by voters in April 2019 with the passage of ballot measure 2A.

3.12.070 Exemptions from sales tax.

Wholesale sales means a sale by a wholesaler to retailers, jobbers, dealers or other wholesalers for resale and does not include a sale by wholesalers to users or consumers not for resale; latter types of sales shall be deemed to be retail sales and shall be subject to the provisions of this chapter. **Wholesale sales of retail marijuana are subject to an excise tax under the provisions of this Chapter.**

Chapter 3.16 Retail Marijuana Excise Tax

3.16.010 Purpose and legislative intent.

The City Council intends that an excise tax be imposed on the first sale or transfer of unprocessed retail marijuana by a retail cultivation facility within the City.

Revenue derived through the retail marijuana excise tax shall be used for the enforcement of regulations on the regulated marijuana industry and other costs related to the implementation of the use and regulation of regulated marijuana and lawful utilization of marijuana, the building, operating and maintenance of the highest priorities of the adopted Parks and Recreation Open Space Plan which includes indoor and outdoor recreating and park facilities, capital improvements and enhancements to the City's Parks, trails and open space, public safety, enforcement and administrative purposes and for comprehensive substance abuse programs including, without limitation, prevention, treatment, education, responsible use, intervention, and monitoring of unlawful consumption of marijuana.

3.16.020 Definitions.

As used in this Chapter, *average market rate* means the amount determined by the State pursuant to Section 39-28.8-101(1), C.R.S., as the average price of unprocessed retail marijuana that is sold or transferred from a retail marijuana cultivation facility to a retail marijuana store or retail marijuana products manufacturer. All other terms in this Chapter shall have the same meaning as set forth in Title 5 Chapter 13 of this Code.

3.16.030 Imposition and rate of tax.

There is hereby levied an excise tax of 5 percent upon the average market rate of unprocessed retail marijuana that is sold or transferred from a retail marijuana cultivation facility to a retail marijuana store or retail marijuana products manufacturer.

3.16.040 Vendor liable for tax.

Each retail marijuana cultivation facility shall collect the tax imposed in Section 3.16.030 above upon every sale or transfer of unprocessed retail marijuana from the cultivation facility. The person charged with the duty to collect taxes also has the burden of proving that any transaction is not subject to the tax imposed by this Article.

3.16.050 Taxes collected held in trust.

All sums of money paid by any person or facility to a cultivation facility as excise taxes pursuant to this Article are public monies that are the property of the City. The person required to collect and remit retail marijuana excise taxes shall hold such monies in trust for the sole use and benefit of the City until paying them to the Finance Director.

3.16.060 Licensing and reporting.

(a) Every person with a duty to collect the excise tax imposed by this Article shall obtain a tax license pursuant to Title 5 Chapter 13 of this Code, report such taxes collected on forms and remit such taxes to the City as prescribed by the Finance Director. A tax license shall be valid so long as:

(1) the business remains in continuous operation

(2) the license is not canceled by the licensee or revoked by the City; and

(3) the business holds a valid retail marijuana license from the City pursuant to Title 5 Chapter 13 of this Code.

(b) The tax license may be canceled or revoked by the City as provided in Chapter 12 Section 250 of this Title.

(c) Whenever a business entity that is required to be licensed under this Article is sold, purchased or transferred, so that the ownership interest of the purchaser or seller changes in any respect, the purchaser shall obtain a new tax license.

(d) Every person engaged in the retail marijuana cultivation business in the City shall keep books and records according to the standards of the Finance Director and subject to the Finance Director's right to audit set forth in GJMC Section 3.12.270.

(e) The provisions set forth in Sections 3.12.260, 3.12.270, 3.12.290, 3.12.300, 3.12.330 thru 3.12.580 of this Code shall all apply to retail marijuana excise taxation by the City.

3.16.070 Duties and powers of the Finance Director.

The Finance Director is authorized to administer the provisions of this Chapter.

3.16.080 Prohibited acts.

It is unlawful and a violation of this Code for any retail marijuana business to sell or transfer unprocessed retail marijuana without the tax license required by this Article, the retail marijuana license required by Title 5 Chapter 13 of this Code and any other license(s) required by law, to willfully make any false or fraudulent return or false statement on any return, or to willfully evade the payment of the tax, or any part thereof, as imposed by this Chapter.

ALL OTHER PROVISIONS OF TITLE 3 SHALL REMAIN IN FULL FORCE AND EFFECT.

Introduced on first reading the _____ day of _____,
2022 and ordered published in pamphlet form.

Adopted on second reading this ____ day of _____ 2022 and ordered published in pamphlet form.

ATTEST:

C.B. McDaniel
President of City Council

Laura Bauer
Interim City Clerk

DRAFT

1 CANNABIS LICENSING AUTHORITY AND HEARING OFFICER PROCEDURES

2 APPLICABILITY OF RULES

3 In addition to any other rules or processes which may be applicable, these procedures
4 (Procedures) shall control the proceedings before the Cannabis Licensing Authority (Authority) of
5 the City of Grand Junction and the Marijuana Hearing Officer (Hearing Officer).

6 The Authority may waive or modify any procedural or non-substantive rule set forth in these
7 Procedures if the same is lawful and in the furtherance of appropriate administration of the City's
8 laws concerning the licensure and regulation of marijuana businesses in the City, all in
9 accordance with Grand Junction Municipal Code (GJMC) and applicable principles of
10 substantive and procedural Due Process afforded by the Colorado and United States
11 Constitutions. Unless the context clearly indicates otherwise, terms used herein shall have/be
12 given the same meaning as Chapter 5, Article 13 of the GJMC.

13 PROCEDURES FOR NEW LICENSES

14 A. Hearing Officer

15 The duly appointed and designated Hearing Officer shall have full authority to control the
16 proceedings, to admit or exclude testimony or other offers of evidence and to rule upon
17 all motions and objections. The Hearing Officer shall ensure that all open meetings and
18 hearings (Public Activity(ies)) of the Authority are conducted in an open and fair manner.

19 B. Public Activity(ies) - Generally

20 1. Decorum. The Hearing Officer shall preserve decorum during Public Activity(ies) of the
21 Authority. The Hearing Officer shall have the right to eject, after reasonable warning,
22 any person disrupting any Public Activity(ies). No signs or placards will be displayed by
23 an applicant or the audience during any Public Activity(ies). Loud sounds such as
24 cheering, applause, or booing shall be limited by the Hearing Officer. Video or audio
25 recording of any Public Activity(ies) of the Authority by persons other than the City is at
26 the discretion of the Hearing Officer and in no event shall any recording interfere or
27 impede a meeting. (IS A VIDEO HEARING AND/OR PARTICIPATION ALLOWED?)

28 2. Scheduling of Public Activity(ies). Public Activity(ies) of the Authority shall be scheduled
29 to occur _____.

30 3. Notice. Notice for Public Activity(ies) of the Authority shall be in accordance with and
31 pursuant to the City annual meeting notice resolution.

32 4. Exhibits. All exhibits and/or other documentary evidence to be admitted, shall be
33 submitted to the Authority and pre-marked no later than seven days prior to date the
34 exhibit(s) or other documentary evidence is to be considered. Exhibits and/or other
35 documentary evidence shall be introduced as in civil matter under the Colorado Rule
36 of Civil Procedure and the Colorado Rules of Evidence. The sponsor of an exhibit(s)
37 and/or other documentary evidence shall provide no less than three complete copies
38 of the exhibit(s) and/or other documentary evidence. Exhibit(s) and/or other
39 documentary evidence may be submitted electronically in a format specified by the
40 City Clerk.

41 5. Rules of Evidence. The Hearing Officer shall not be bound by a strict application of the
42 Colorado Rules of Evidence; however, irrelevant, repetitive, opinion and other less
43 probative testimony and evidence should be excluded when possible but may be
44 allowed within the Hearing Officer's discretion.

45 Motions may be written but shall be read into or summarized for the record.

46 Objections shall be stated orally for the record.

47 All testimony shall be given under oath. In all Public Activity(ies) of the Authority, the
48 applicant has the burden of proof, and the burden of persuasion shall be by a
49 preponderance of the evidence.

50 The Hearing Officer and/or the City Attorney have the right of examination and/or
51 cross-examination of any witness or person testifying at any hearing or Public
52 Activity(ies) of the Authority.

53 6. The Public Activity(ies) of the Authority shall be recorded. Any person requesting a
54 transcript of such record shall reimburse the City for the cost to prepare the record.
55 (VIDEO?)

56 7. Order of Presentation. The following order for the presentation of evidence shall apply
57 to all Public Activity(ies) of the Authority:

- 58 a. Call the Public Activity(ies) to order
- 59 b. Preliminary matters/introduction of the agenda/scheduled matters by the
- 60 Hearing Officer
- 61 c. Opening statement by the applicant or applicant's attorney
- 62 d. Opening statement by the City
- 63 e. Applicant's presentation of evidence and witnesses. Prior to excusing
- 64 applicant's witnesses, examination/cross-examination by the City Attorney
- 65 and/or Hearing Officer
- 66 f. City's presentation of evidence and witnesses, if any. Prior to excusing any of the
- 67 City's witnesses, examination/cross-examination shall be permitted, in the
- 68 following order, Applicant/Applicant's attorney City Attorney and/or Hearing
- 69 Officer
- 70 g. Public testimony, if any
- 71 h. Applicant's rebuttal evidence, if any
- 72 i. City's rebuttal evidence, if any
- 73 j. Applicant's closing statement
- 74 k. City's closing statement, if any
- 75 l. Close the Public Activity(ies)
- 76 m. Deliberation and findings or reservation of findings
- 77

78 8. Reopening of Public Activity(ies). Whenever a Public Activity(ies) has been opened
79 and continued to another date or where it has been closed and the Hearing Officer
80 determines additional evidence or supplementary information is necessary prior to a
81 final decision, the Hearing Officer may reopen the Public Activity(ies) for purposes of

82 taking such additional evidence or information. The Hearing Officer may limit the
83 scope of such evidence to be taken and/or shall determine both the admissibility and
84 weight to be accorded to the evidence and/or information. Whenever a Public
85 Activity(ies) is reopened and additional evidence/information received, all such
86 additional evidence/information shall be incorporated into the record of the prior
87 Public Activity(ies).

88 9. Evidence. Evidence for a new license may include, but is not limited to:

- 89 a. Completeness review of Application/Applicants qualification to hold of a
90 license. Evidence concerning the Application/Applicant satisfaction of GJMC
91 in general and §§5.13.033 and 5.13.027 particular.
92 b. Proof of compliance with posting requirements. The applicant shall present
93 proof of compliance with the notice requirement in §5.13.027 of the GJMC.

94 C. Continuances. The City Clerk on behalf of the Authority may grant an applicant's or the City's
95 request to continue a matter set for Public Activity(ies) of the Authority to the next regular meeting
96 or to a special meeting if such request is made prior to the time that publication and posting of
97 notice of the Public Activity(ies) on the matter(s) is(are) to be made. Once a matter has been
98 scheduled for Public Activity(ies) and notice thereof has been given, the matter may be continued
99 only by the Hearing Officer upon a showing of good cause. The Hearing Officer may, in his/her
100 discretion, grant or deny a request for a continuance.

101 D. Parties. Unless excused by the Hearing Officer, the following persons shall attend the Public
102 Activity(ies) for consideration of an Application:

- 103
104 1. If the applicant is an individual, that individual; or
105
106 2. If the applicant is a partnership, any managing or general partner or authorized
107 designee; or
108
109 3. If the applicant is a corporation, the president of the corporation, an officer or director,
110 or such other corporate representative as the president may designate in writing; or
111
112 4. If the applicant is a limited liability company, a managing officer or authorized
113 designee.

114 E. Approval or Denial. Not less than 30 days following the Public Activity(ies) of the Authority, the
115 Hearing Officer shall either approve, approve with conditions, or deny the license application in
116 writing as provided in §§5.13.022 and 5.13.027 of the GJMC.

117 F. Findings. Any findings, which shall mean findings of fact, conclusions of law and order, may be
118 prepared by the City Attorney and shall upon execution of an order and/or making of findings by
119 the Hearing Officer be available to the applicant within 15 days of the conclusion of the Public
120 Activity(ies) of the Authority.

121 G. Appeals. All decisions of the Authority are final, subject only to appeals pursuant to Rule 106(a)(4)
122 of the Colorado Rules of Civil Procedure.

PROCEDURES FOR LICENSE RENEWALS, TRANSFERS OF OWNERSHIP, CHANGE OF CORPORATE
STRUCTURE, CHANGE OF LOCATION, AND MODIFICATION OF PREMISES

A. Hearing Officer. Public Activity(ies) of the Authority concerning license renewals, transfers of ownership, change of corporate structure, change of location, and modification of premises will be heard and decided by the Hearing Officer..

B. Public Activity(ies) - Generally

1. Decorum. The Hearing Officer shall preserve decorum during Public Activity(ies) of the Authority. The Hearing Officer shall have the right to eject, after reasonable warning, any person disrupting any Public Activity(ies). No signs or placards will be displayed by an applicant or the audience during any Public Activity(ies). Loud sounds such as cheering, applause, or booing shall be limited by the Hearing Officer. Video or audio recording of any Public Activity(ies) of the Authority by persons other than the City is at the discretion of the Hearing Officer and in no event shall any recording interfere or impede a meeting. (IS A VIDEO HEARING AND/OR PARTICIPATION ALLOWED?)

2. Scheduling of Public Activity(ies). Public Activity(ies) of the Authority shall be scheduled to occur .

3. Notice. Notice for Public Activity(ies) of the Authority shall be in accordance with and pursuant to the City annual meeting notice resolution.

4. Exhibits. All exhibits and/or other documentary evidence to be admitted, shall be submitted to the Authority and pre-marked no later than seven days prior to date the exhibit(s) or other documentary evidence is to be considered. Exhibits and/or other documentary evidence shall be introduced as in civil matter under the Colorado Rule of Civil Procedure and the Colorado Rules of Evidence. The sponsor of an exhibit(s) and/or other documentary evidence shall provide no less than three complete copies of the exhibit(s) and/or other documentary evidence. Exhibit(s) and/or other documentary evidence may be submitted electronically in a format specified by the City Clerk.

5. Rules of Evidence. The Hearing Officer shall not be bound by a strict application of the Colorado Rules of Evidence; however, irrelevant, repetitive, opinion and other less probative testimony and evidence should be excluded when possible but may be allowed within the Hearing Officer's discretion.

Motions may be written but shall be read into or summarized for the record.

Objections shall be stated orally for the record.

All testimony shall be given under oath. In all Public Activity(ies) of the Authority, the applicant has the burden of proof, and the burden of persuasion shall be by a preponderance of the evidence.

a. Evidence concerning whether the Licensee is qualified to hold the license, including evidence of compliance with all relevant statutory and regulatory requirements.

b. Compliance with all city and state operational rules and regulations

c. Plans or specifications for modification of premises, and proof that any modifications would result in the Licensee continuing to follow all City and state operational rules and regulations.

The Hearing Officer and/or the City Attorney have the right of examination and/or cross-examination of any witness or person testifying at any hearing or Public Activity(ies) of the Authority.

6. The Public Activity(ies) of the Authority shall be recorded. Any person requesting a transcript of such record shall reimburse the City for the cost to prepare the record. (VIDEO?)

7. Order of Presentation. The following order for the presentation of evidence shall apply to all Public Activity(ies) of the Authority:

- a. Call the Public Activity(ies) to order
- b. Preliminary matters/introduction of the agenda/scheduled matters by the Hearing Officer
- c. Opening statement by the applicant or applicant's attorney
- d. Opening statement by the City
- e. Applicant's presentation of evidence and witnesses. Prior to excusing applicant's witnesses, examination/cross-examination by the City Attorney and/or Hearing Officer
- f. City's presentation of evidence and witnesses, if any. Prior to excusing any of the City's witnesses, examination/cross-examination shall be permitted, in the following order, Applicant/Applicant's attorney City Attorney and/or Hearing Officer
- g. Public testimony, if any
- h. Applicant's rebuttal evidence, if any
- i. City's rebuttal evidence, if any
- j. Applicant's closing statement
- k. City's closing statement, if any
- l. Close the Public Activity(ies)
- m. Deliberation and findings or reservation of findings

C. Continuances. The City Clerk on behalf of the Authority may grant an applicant's or the City's request to continue a matter set for Public Activity(ies) of the Authority to the next regular meeting or to a special meeting if such request is made prior to the time that publication and posting of notice of Public Activity(ies) on the matter(s) is(are) to be made. Once a matter has been scheduled for Public Activity(ies) and notice thereof has been given, the matter may be continued only by the Hearing Officer upon a showing of good cause. The Hearing Officer may, in his/her discretion, grant or deny a request for a continuance.

D. Parties. Unless excused by the Hearing Officer, the following persons shall attend the Public Activity(ies) for consideration of any license renewals, transfers of ownership, change of corporate structure, change of location, and modification of premises:

E. If the Licensee, whether an individual, partnership, any managing or general partner or authorized designee; or if a corporation, the designee of the corporation, as the president may designate in writing; or if the Licensee is a limited liability company, a managing officer or authorized designee.

F. Approval or Denial. Not less than 30 days following the Public Activity(ies) of the Authority the Hearing Officer shall either approve, approve with conditions, or deny the license renewal, transfer of ownership, change of corporate structure, change of location, and modification of premises application in writing as provided in the GJMC.

G. Findings. Any findings, which shall mean findings of fact, conclusions of law and order, may be prepared by the City Attorney and shall upon execution of an order and/or making of findings by the Hearing Officer be available to the applicant within 15 days of the conclusion of the Public Activity(ies) of the Authority.

H. Appeals. All decisions of the Authority are final, subject only to appeals pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

C. Activity(ies) Procedures

1. Recording. The Public Activity(ies) of the Authority shall be recorded. Any person requesting a transcript of such record shall reimburse the City for the cost to prepare the record.

2. Presentation of Evidence - Burden of Proof In a Public Activity(ies) concerning an application for renewal, transfer of ownership, change in corporate structure, or modification of premises, the Licensee shall have the burden of proving, by preponderance of the evidence, that the Licensee is and would continue to be in compliance with all City and state laws and regulations pertaining to the application and operation of the marijuana establishment.

3. Presentation of Evidence - Order of Presentation. The following order for the presentation of evidence shall apply to all Public Activity(ies) of the Authority:

- a. Call the Public Activity(ies) to order
- b. Preliminary matters/introduction of the agenda/scheduled matters by the Hearing Officer
- c. Opening statement by the applicant or applicant's attorney
- d. Opening statement by the City
- e. Applicant's presentation of evidence and witnesses. Prior to excusing applicant's witnesses, examination/cross-examination by the City Attorney and/or Hearing Officer
- f. City's presentation of evidence and witnesses, if any. Prior to excusing any of the City's witnesses, examination/cross-examination shall be permitted, in the following order, Applicant/Applicant's attorney City Attorney and/or Hearing Officer
- g. Public testimony, if any
- h. Applicant's rebuttal evidence, if any
- i. City's rebuttal evidence, if any
- j. Applicant's closing statement
- k. City's closing statement, if any

- 242 1. Close the Public Activity(ies)
243 m. Deliberation and findings or reservation of findings
244

245 D. Continuances. Requests for continuances shall be made, when practicable, in writing, prior to
246 the scheduled Public Activity(ies). Requests for continuances shall not be granted on the day of
247 the Activity(ies) absent a showing of good cause. The Hearing Officer shall have the sole discretion
248 to grant or deny a request to continue.

249 E. Parties. Unless excused by the Hearing Officer, the following person(s) shall attend the Public
250 Activity(ies) of the Authority on the application:

- 251 1. If the applicant is an individual, that individual; or
252
253 2. If the applicant is a partnership, any managing or general partner or authorized
254 designee; or
255
256 3. If the applicant is a corporation, the president of the corporation, an officer or director,
257 or such other corporate representative as the president may designate in writing; or
258
259 4. If the applicant is a limited liability company, a managing officer or authorized designee.
260

261 F. Approval or Denial. Not less than 30 days following the completion of the Public Activity(ies) the
262 Hearing Officer shall either approve, approve with conditions, or deny the license application in
263 writing. Any such approval or denial shall include any findings, which shall mean findings of fact
264 and conclusions of law and order, which the Hearing Officer relied on to make the determination
265 to approve, approve with conditions, or deny the application. Written findings of fact shall be
266 mailed by certified mail to the license within 30 days after the completion of the Public Activity(ies.)

267 G. Appeals. All decisions of the Hearing Officer are final, subject only to appeals pursuant to Rule
268 106(a)(4) of the Colorado Rules of Civil Procedure.

269 PROCEDURES FOR SUSPENSIONS, REVOCATIONS, AND IMPOSITION OF CIVIL PENALTIES

270 A. Hearing Officer. Any complaint filed by the City Attorney with the Authority seeking the
271 imposition of a civil penalty or suspension or revocation of a license will be heard by the Hearing
272 Officer.

273 B. Initiation of Proceedings. If there is probable cause to believe that a Licensee has violated or
274 permitted a violation of state and/or local law, rules and regulations, or any of the terms,
275 conditions, or provisions of the license, the City Attorney may file with the Hearing Officer a written
276 complaint setting forth the circumstances of the violation(s), and a request that the Hearing Officer
277 set a show cause hearing. If the Hearing Officer determines that the complaint establishes
278 probable cause to believe that a violation(s) exist(s), the Hearing Officer shall issue an Order to
279 Show Cause and Notice of Hearing ("Notice"), which shall command the Licensee to appear and
280 show cause as to why a civil penalty should not be imposed, or the license should not be
281 suspended or revoked. The Notice shall notify or inform the Licensee of the charges or alleged
282 grounds for the violation and the imposition of a civil penalty, suspension, or revocation, and will
283 be prepared for the Hearing Officer by the City Attorney or designee.

C. Settlements and Dispositions. All proposed settlements and dispositions of matters scheduled for hearing shall be in the form of a joint stipulation and shall be submitted in writing to the offices of the Authority and the City Attorney at least ten days prior to the scheduled hearing date. The Hearing Officer has the discretion to consider a proposed disposition prior to the hearing.

1. The scheduled hearing shall be automatically vacated if:

- a. The proposed settlement or disposition is properly and timely made in writing in accordance; and
- b. The proposed settlement is approved as to legal form by the City Attorney's office; and
- c. No prior proposed settlements or dispositions on the same matter have been previously submitted to the Hearing Officer for consideration.

2. The City Clerk on behalf of the Authority shall provide the Hearing Officer with a copy of the written notice of proposed settlement or disposition.

3. Consideration of proposed disposition by the Hearing Officer; continuance of hearing if disposition is rejected.

- a. Upon timely filing of the notice of the proposed disposition as provided above, the Hearing Officer shall, at the time of the scheduled hearing consider the proposed stipulation(s) and recommendation(s). The Hearing Officer may however, upon good cause shown, consider dispositions presented either orally or in writing. Upon a finding that the public interest is not served by the proffered disposition, or if the Hearing Officer significantly changes the proposed settlement order and during the Hearing Officer's consideration of such, either party has an objection to such changes, the hearing on the merits shall be continued and rescheduled within 30 days. The continued hearing shall be at least ten days after the original scheduled hearing date, unless both parties are prepared and agree to proceed immediately after rejection of the proposed disposition.
- b. In the event of rejection of a proposed disposition, the Hearing Officer shall identify the reasons for such rejection, which may include, without limitation, seriousness of the violations, aggravating or mitigating circumstances, the history of the subject establishment, corrective actions taken, likelihood of reoccurrence, and any other relevant matters impacting the public health, safety, and welfare.

4. Subsequent proposed dispositions. In the event that the Hearing Officer, in the exercise of his or her discretion, should reject the proposed disposition, and the issues are rescheduled for hearing on the merits as set forth herein, and the parties submit an amended proposed disposition, the parties should nevertheless be fully prepared to proceed on the merits of the case at the rescheduled hearing in the event the amended proposal for disposition is also rejected by the Hearing Officer.

5. No prejudice of rejection of proposed disposition. In the event that the Hearing Officer should reject any proposed disposition pursuant to the provisions of these Rules, neither the City nor the Licensee shall suffer any prejudice or detriment as a result of such

rejection. The legal standards and burden of proof applicable to the proceedings shall be as if the proposal had not been presented, and a Licensee shall suffer no detrimental presumption or inference as a result of such rejection upon hearing the merits.

6. Factual stipulations. Nothing in these Rules shall be deemed or construed to preclude or limit either party before or during a hearing from offering to stipulate as to the existence of any fact.

D. Continuances. All requests for continuance of a scheduled hearing where the Hearing Officer will be considering whether a license may be suspended or revoked shall be submitted in writing to the offices of the Authority and the City Attorney, or if the City is requesting the continuance, to the City Clerk on behalf of the Authority and the business address of the applicant/Licensee or their legal counsel at least ten days prior to the scheduled hearing date.

1. A continuance of a hearing shall be granted by the City Clerk on behalf of the Authority to a new hearing date within 30 days if:

- a. The written request is properly and timely submitted to the City Clerk's office in accordance with these Procedures; and
- b. Both parties or their representatives agree to the continuance; and
- c. Neither party has been previously granted a continuance in the matter under consideration.

2. If the request for continuance is not made and granted in accordance with these Procedures, then both parties or their representative shall appear before the Authority at the scheduled hearing date and time and be prepared to proceed with the hearing.

3. Upon a showing of substantial hardship or other good cause by the requesting party, the Hearing Officer may grant continuances upon such terms and conditions as it deems just and proper.

E. Public Activity(ies) - Generally

1. Decorum during hearing. The Hearing Officer shall preserve decorum during a hearing. The Hearing Officer shall have the right to eject, after reasonable warning, any person disrupting a hearing. No signs or placards will be displayed by a Licensee or the audience during a hearing. Loud sounds such as cheering, applause, or booing shall be limited by the Hearing Officer. Video or audio recording of a hearing by persons other than the City is at the discretion of the Hearing Officer and in no event shall any recording interfere or impede a meeting.

2. Scheduling of Hearing. shall be held at the place, date, and time designated by the Hearing Officer as stated in the Order to Show Cause and Notice of Hearing.

3. Rules of Evidence. The Hearing Officer shall not be bound by strict rules of evidence prevailing in courts of law or equity; however, the right of cross-examination shall be preserved. Irrelevant, repetitive and cumulative testimony and evidence should be excluded when possible. Motions may be written but shall be read into or summarized

for the record. Objections shall be stated orally for the record. All testimony shall be given under oath.

F. Public Activity(ies) Procedures

1. Recording. The hearing shall be recorded. Any person requesting a transcript of such record shall reimburse the City for the cost to prepare the record.

2. Presentation of Evidence—The burden of proof in a hearing initiated to seek imposition of a penalty against a license/Licensee shall be on the City, the standard shall be proof by preponderance of the evidence of the occurrence of the violation or unlawful act forming the basis of the complaint.

3. Presentation of Evidence—Order of Presentation

- a. Call the Public Activity(ies) to order
- b. Preliminary matters/introduction of the agenda/scheduled matters by the Hearing Officer
- c. Opening statement by the applicant or applicant's attorney
- d. Opening statement by the City
- e. Applicant's presentation of evidence and witnesses. Prior to excusing applicant's witnesses, examination/cross-examination by the City Attorney and/or Hearing Officer
- f. City's presentation of evidence and witnesses, if any. Prior to excusing any of the City's witnesses, examination/cross-examination shall be permitted, in the following order, Applicant/Applicant's attorney City Attorney and/or Hearing Officer
- g. Public testimony, if any
- h. Applicant's rebuttal evidence, if any
- i. City's rebuttal evidence, if any
- j. Applicant's closing statement
- k. City's closing statement, if any
- l. Close the Public Activity(ies)
- m. Deliberation and findings or reservation of findings

4. Evidence at the hearing may include, but is not limited to:

- a. Evidence from individual witnesses who were present when the alleged events/violations occurred;
- b. Evidence from experts including health or other county or state officials concerning events surrounding the violation;
- c. Evidence from City employees and officials, including but not limited to, Code Enforcement officers, Finance officers, and Building officials; and
- d. Evidence from the Police Department

409 G. Hearing Determination

410 1. In the event the Licensee is found not to have violated any law, rule or regulation, the
411 complaint/charges will be dismissed.

412 2. In the event the Licensee is found to have violated a law(s), rule(s) or regulation(s), the
413 license may be suspended, revoked or a civil penalty imposed in accordance with the
414 Marijuana Establishment Violations and Sentencing Guidelines.

415 H. Order. The Hearing Officer shall issue a written order setting forth the findings of fact and
416 conclusions of law the Hearing Officer made in reaching his/her determination to dismiss charges,
417 impose a civil penalty, or suspend or revoke the license. The Order shall be provided to the City
418 Clerk on behalf of the Authority no later than 30 days following the hearing. The City Clerk on behalf
419 of the Authority shall mail the Licensee the Hearing Officer's Order by first-class mail to the address
420 contained in the license within 3 business days following receipt of the Order from the Hearing
421 Officer.

422 I. Fees. In the event of revocation, or suspension, no portion of the license fee shall be refunded.

423 J. Date of Suspension. Orders of suspension shall indicate the effective date of suspension. For
424 suspensions of 14 days or less, the effective date shall be at least ten business days after
425 announcement of the suspension unless the Hearing Officer makes findings, which indicate the
426 need for an earlier effective date.

427 K. Date of Revocation. An Order for revocation of a license shall be effective immediately upon
428 issuance by the Hearing Officer.

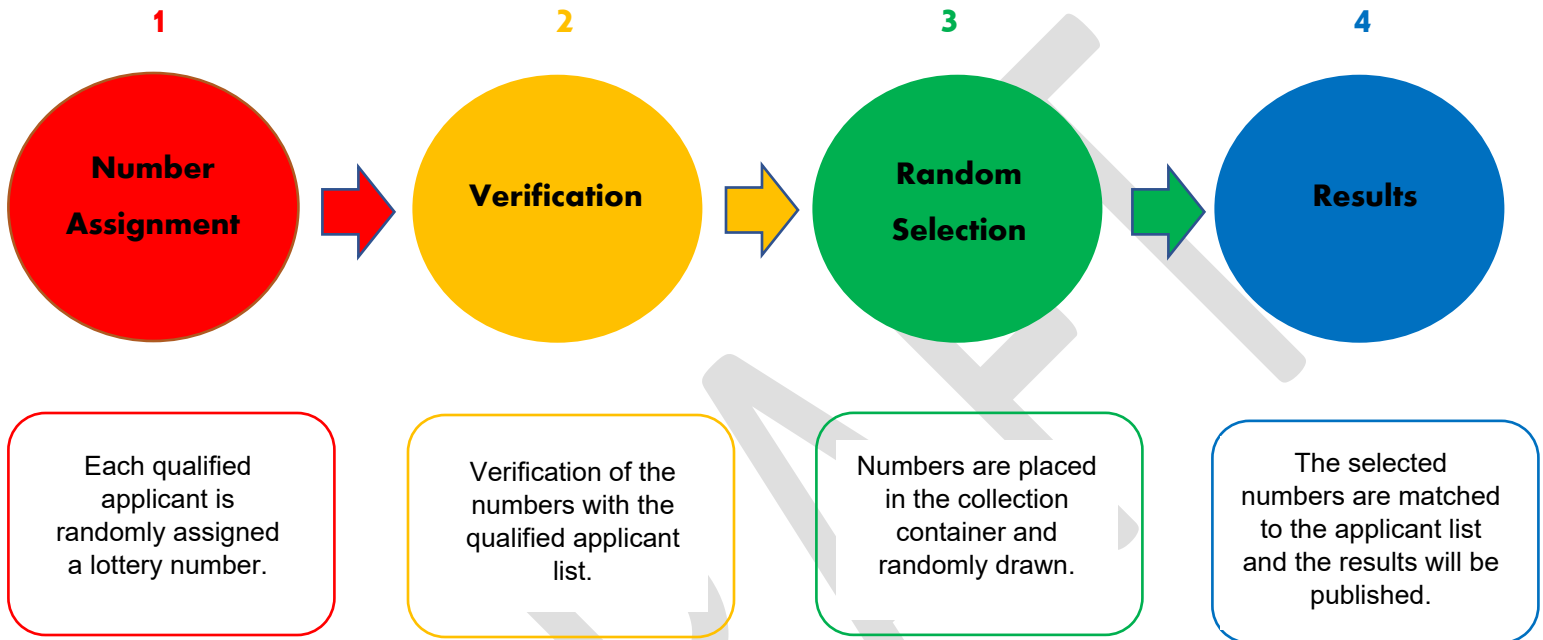
429 L. Fine in Lieu. A Licensee wishing to petition the Hearing Officer to pay a fine in lieu of suspension
430 must submit a written petition to the City Attorney in accordance with §5.13.043 of the GJMC.

431 M. Civil Penalties. Following an Order for the payment of a fine or other monetary penalty, the
432 Licensee shall remit full payment in the form of cash, money order, or certified check or cashier's
433 check made payable to the City no more than ten days after issuance of such order, unless
434 otherwise agreed to in writing by the Hearing Officer.

435 N. Appeals. All decisions of the Hearing Officer are final, subject only to appeals pursuant to Rule
436 106(a)(4) of the Colorado Rules of Civil Procedure.

Cannabis Randomized Selection Process

This document outlines the process for which qualified applicants are randomly selected and will have an opportunity to be issued a Cannabis Business License.



Additional Information:

If there are more qualified applicants than the number of available licenses, the randomized selection shall occur.

Because only two licenses may be issued for Horizon Drive, if two applicants for Horizon Drive license are drawn, any subsequent Horizon Drive applicants selected will be disqualified.

In the event that the number of qualified applicants is less than the number of available license(s), the randomized selection shall not occur.

The randomized selection will be publicly conducted. Entrants need not be present at the selection.

If any of the applicants selected at the random selection do not commence operations of the business, then another random selection process will occur in the same format.

In no event may a qualified applicant sell its position in the randomized selection process, nor may an applicant selected for licensure be allowed to sell, transfer, or otherwise assign its position/license to any other person or entity.

Randomized selection results will be published the same day the randomized selection is conducted.

CANNABIS BUSINESS VIOLATION AND PENALTY GUIDELINES (Guidelines)

PURPOSE

These Guidelines are intended to provide the Hearing Officer of the Grand Junction Cannabis Licensing Authority (Authority) assistance with the imposition of penalties, which may include but are not limited to suspension or revocation of any license, against cannabis business licensees for violation(s) related to the operation of any Cannabis Business, as defined in Article 5, Chapter 13 of the Grand Junction Municipal Code (GJMC) in and for the City of Grand Junction (City).

The Guidelines are intended to further consistency of penalties, suspensions and revocations resulting from violations; however, the Hearing Officer is vested with discretion and shall consider the facts and circumstances of any alleged violation(s) and the penalty imposed against a licensee for any violation(s) may vary under the Guidelines depending upon the unique facts and circumstances of each violation.

SCOPE

The Hearing Officer shall consult the Guidelines in all circumstances where there is a violation of any law, rule or regulation under Chapter 5, Article 13 of the Grand Junction Municipal Code ("GJMC") either when the Hearing Officer has found a violation(s) has occurred or when a proposed stipulation concerning a violation(s) is to be considered by the Authority.

FINE IN LIEU

As authorized by §5.13.043 of the GJMC, any Licensee found in violation of the GJMC may petition the Hearing Officer for permission to pay a fine in lieu of having the License suspended for all or part of the suspension period, except the period of any mandatory suspension as required pursuant to these Guidelines.

The amount of any fine in lieu will be calculated at 20% of the Licensee's average gross sales from the sale of cannabis and/or cannabis infused products over a 90-day period preceding the suspension period. The fine will be for each day a fine in lieu of the period of the proposed suspension. A fine in lieu may include a period of active suspension of a License.

Any petition for a fine in lieu requires that the licensee pay a \$500.00 non-refundable fee to the Authority. Approval of a fine in lieu petition is within the sole discretion of the Hearing Officer. Payment of a fine in lieu of suspension may also be agreed to by stipulation of the City Attorney and Licensee prior to a hearing, which stipulation shall be considered by the Hearing Officer, and approval of which is at the sole discretion of the Hearing Officer.

VIOLATIONS

A. License Infractions. A license infraction may include, but is not limited to, failure to display required license(s), permit(s), sign(s), a minor unauthorized modification of the licensed premises, or other violation(s) such as failure to comply with Colorado Code of Regulations, 1 CCR 212-3, Part 3-310(A)(2),(3), (5), (6), and (7) cleanliness standards. Penalties for a License Infraction may include a civil penalty of up to \$5,000 per occurrence, per day, a license suspension, a fine in lieu of suspension of up to \$10,000, and/or license revocation depending on the mitigating and aggravating circumstances. Other sanctions may also include restrictions on the License.

B. License Violations. A license violation is more severe than a license infraction but generally does not have an immediate impact on the health, safety and welfare of the public. License Violations

may include, but are not limited to, advertising and/or marketing violation(s), packaging or labeling violation(s) that do not directly impact consumer safety, failure to maintain minimum security requirement(s), failure to keep and maintain adequate business books and records, or minor clerical errors in the inventory tracking procedure(s), a major unauthorized modification of the licensed premises, or failure to have the registered manager on premises during hours of operation. The range of penalties for a License Violation may include a license suspension, a fine in lieu of suspension of up to \$50,000, and/or license revocation depending on the mitigating and aggravating circumstances. Other sanctions may also include restrictions on the License.

C. License Violations Affecting Public Safety. A License Violation Affecting Public Safety is the most severe violation and may include, but is not limited to, sales of cannabis to persons under the age of 21 years, permitting any person under 21 years of age to enter or remain on or within the licensed premises, consuming or allowing the consumption of cannabis and/or alcohol on the licensed premises, cannabis sales in excess of the relevant transaction limit, permitting the diversion of cannabis outside the regulated distribution system, possessing cannabis obtained from outside the regulated distribution system or from an unauthorized source, making misstatements or omissions in the inventory tracking system, failure to maintain books and records to fully account for all transactions of the business, advertising violations directly targeting minors, packaging or labeling violations that directly impact consumer safety, cultivating or manufacturing cannabis on the licensed premises, providing cannabis to any person for free, or selling or distributing cannabis to any person who shows visible signs of intoxication from alcohol, cannabis, or other drugs, failure to allow regular or random inspection(s), and failure to contemporaneously report criminal activity occurring on or near the Licensed premises. License Violations Affecting Public Safety are presumed to have an immediate impact on the health, safety, and welfare of the public at large. Penalties for License Violations Affecting Public Safety include a minimum mandatory 5-day suspension for which a fine in lieu may not be considered, additional license suspension of up to 45 days, a fine in lieu of any non-mandatory suspension of up to \$100,000, and/or license revocation depending on the mitigating and aggravating circumstances. Other sanctions may also include restrictions on the license.

MITIGATION AND AGGRAVATION

A. In deciding the penalty to impose for a violation(s), except in cases involving a mandatory penalty, the Hearing Officer shall consider mitigating and aggravating circumstances, including, but not limited to, the following:

1. Mitigation

- a. Corrective measures, if any, taken by the licensee
- b. Participation in Responsible Vendor training
- c. Implementation of new systems or processes to ensure future compliance

2. Aggravation

- a. Violation committed by licensee or manager or an employee(s)
- b. Prior similar violations
- c. Willfulness or deliberateness of the violation

3. Other factors

- a. Nature and seriousness of the violation
- b. Prior violations, if any, at the licensed premises
- c. Effectiveness of prior corrective action, if any
- d. Likelihood of recurrence
- e. Length of time the license has been held by the licensee
- f. Length of time since previous violation, if any
- g. Previous sanctions imposed against the licensee, if any

B. First Violation Options

1. License Infractions

- a. Imposition of a civil penalty of up to \$5,000 per license for each day the violation occurs or continues; or
- b. License suspension of up to 20 days
- c. Fine in lieu of suspension or a portion of suspension of up to \$10,000;
- d. Restrictions on license designated to ensure future compliance

2. License Violations

- a. License suspension of between two and 25 days
- b. Fine in lieu of suspension or a portion of suspension of up to \$50,000
- c. Revocation of license
- d. Restrictions on license designated to ensure future compliance

3. License Violations Affecting Public Safety

- a. Mandatory minimum license suspension of five days for which a fine in lieu of suspension may not be considered; and
- b. Additional license suspension of up to 45 days
- c. Fine in lieu of additional license suspension of up to \$100,000
- d. Revocation of license
- e. Restrictions on license designated to ensure future compliance

C. Second Violation Options

1. License Infractions

- a. Imposition of a civil penalty of up to \$5,000 per license for each day the violation occurs or continues; or
- b. License suspension of up to 20 days
- c. Fine in lieu of suspension of up to \$10,000

- 115 d. Restrictions on license designated to ensure future compliance
- 116 2. License Violations
- 117 a. License suspension of between two and 25 days
- 118 b. Fine in lieu of suspension of up to \$50,000
- 119 c. Revocation of license
- 120 d. Restrictions on license designated to ensure future compliance
- 121 3. License Violations Affecting Public Safety
- 122 a. Mandatory minimum license suspension of 10 days for which a fine in lieu
- 123 may not be considered; and
- 124 b. Additional license suspension of up to 60 days
- 125 c. Fine in lieu of additional license suspension of up to \$100,000
- 126 d. Revocation of license
- 127 e. Restrictions on license designated to ensure future compliance
- 128 D. Third Violation Options
- 129 1. License Infractions
- 130 a. Imposition of a civil penalty of up to \$5,000 per license for each day the
- 131 violation occurs or continues; or
- 132 b. License suspension of up to 20 days
- 133 c. Fine in lieu of suspension of up to \$10,000
- 134 d. Restrictions on license designated to ensure future compliance
- 135 2. License Violations
- 136 a. License suspension of between two and 25 days
- 137 b. Fine in lieu of suspension of up to \$50,000
- 138 c. Revocation of license
- 139 d. Restrictions on license designated to ensure future compliance
- 140 3. License Violations Affecting Public Safety
- 141 a. Mandatory minimum license suspension of 15 days for which a fine in lieu
- 142 may not be considered; and
- 143 b. Additional license suspension of up to 90 days
- 144 c. Fine in lieu of additional license suspension of up to \$100,000
- 145 d. Revocation of license
- 146 e. Restrictions on license designated to ensure future compliance

147 E. Fourth or Subsequent Violation Options

148 1. License Infractions

- 149 a. Imposition of a civil penalty of up to \$5,000 per license for each day the
150 violation occurs or continues; or
- 151 b. License suspension of up to 20 days
- 152 c. Fine in lieu of suspension of up to \$10,000
- 153 d. Restrictions on license designated to ensure future compliance

154 2. License Violations

- 155 a. License suspension of between two and 25 days
- 156 b. Fine in lieu of suspension of up to \$50,000
- 157 c. Revocation of license
- 158 d. Restrictions on license designated to ensure future compliance

159 3. License Violations Affecting Public Safety

- 160 a. Revocation of license



**CITY OF GRAND JUNCTION
REGULATED CANNABIS
BUSINESS LICENSE SUBMITTAL
REQUIREMENTS AND
PROCESSING INFORMATION**

- ☐ **Step 1: License Availability.** The city clerk will post a notice of license availability on the city's website, opening a 30-day application period for the filing and acceptance of new applications. The clerk will specify the start and end dates and time of the application period.
- ☐ **Step 2: Applicant files a complete application,** including all documents on the application checklist, all required attachments, proof of fingerprinting of all controlling beneficial owners, financiers and managers, and all local fees. Applications are by appointment only. Set aside two hours for the application submittal appointment. Only one application per site will be accepted. If the applicant is filing for a medical and retail license to be co-located, then both applications are due at the same time.
- ☐ **Step 3: Application Review.** The application is reviewed by City departments for compliance and a background investigation is conducted by the Grand Junction Police Department.
- ☐ **Step 4: Cannabis Licensing Authority Hearing.** Upon completion of staff review and background investigation, a public hearing will be scheduled before the Grand Junction Cannabis Licensing Authority to determine entrance into the randomized selection process.
- ☐ **Step 5: Randomized Selection Process.** If there are more applicants than available sites, a randomized selection will be conducted among the qualified applicants. One applicant will be drawn at random for each available site. The City will use a process by which the names of the applicants are shielded from view, and through which each qualified applicant has an equal chance of being selected.
- ☐ **Step 6: State Licensure.** Once selected through the randomized selection process, the applicant must proceed with obtaining a state-issued marijuana business license. A copy of the state license must be filed with the city clerk.
- ☐ **Step 7: Local License Issuance.** Upon receiving a copy of the state license, a site and safety inspection is required. Once the applicant has completed successful inspections, a local license will be issued.
- ☐ **Step 8: Operation.** Business operation must begin within six months of being selected in the randomized selection process. Licenses may not be transferred or sold within the first three years of operation.

CANNABIS BUSINESS LICENSE APPLICATION CHECKLIST

- ☐ New Medical Business ☐ New Retail Business
☐ New Co-Located Medical and Retail Business

Entity Name: _____
 Trade Name (dba): _____
 Street Address of Cannabis Business: _____

Applications are accepted by appointment only and must be complete in all aspects. Please organize your application documents in the same order as the checklist below and place the checklist on top. Incomplete applications will not be accepted. All documents must be signed and notarized prior to submission appointment. The City Clerk's Office does not provide notary services for application documents.

Main Application Documents	
	Regulated Marijuana Business License Application (State of Colorado Form DR 8548 dated 1/29/21)
	Affirmation and Consent (City of Grand Junction GJMBL Form #0003 Effective 01/01/2021) Must be completed by each Controlling Beneficial Owner
	Proposed Operating Plan (City of Grand Junction GJMBL Form #0005 Effective 01/01/2021)
Property Related Documents	
	Zoning Verification (City of Grand Junction GJMBL Form #0006 Effective 01/01/2021)
	Lease/Deed: Proof of Possession of Licensed Premises - The business must have legal possession of the licensed premises for at least 3 years after license issuance - Deed of lease must be in the name of the cannabis license applicant
	Authorization to Use Property for a Regulated Cannabis Business (required if applicant is not the owner of the proposed licensed premises) (City of Grand Junction GJMBL Form #0004 Effective 1/1/2021)
	Floor Plan (A "to scale" diagram of the proposed licensed premises no larger than 11" x 17") Review Document #0007 Floor Plan and Security Plan Checklist before creating your floor plan!
	Security Plan (City of Grand Junction Narrative GJMBL Form #0008 Effective 01/01/2021)

CANNABIS BUSINESS LICENSE APPLICATION CHECKLIST

- ☐ New Medical Business ☐ New Retail Business
☐ New Co-Located Medical and Retail Business

Entity Name: _____
 Trade Name (dba): _____
 Street Address of Cannabis Business: _____

Business Entity Documents		
	Entity Structure ☐ Corporation ☐ Limited Liability ☐ Company Partnership	
	Publicly Traded Company (CRS 44-10-309(1)) ☐ Yes ☐ No ☐ NA	
	Organizational Chart , including the identity and ownership percentage of all Controlling Beneficial Owners	
	Organizational Documents ☐ Operating Agreement(s) ☐ Articles of Organization for LLC ☐ By Laws ☐ Certificate of Authority if foreign company ☐ Partnership Agreement ☐ Articles of Incorporation ☐ Certificate of Good Standing ☐ Statement of Trade Name ☐ Certificate of Good Standing for a Foreign Entity (if applicable)	
Ownership Information: Controlling Beneficial Owner Provide information for any owner who owns 10% or more of the license. Owner percentages should match structure that was/will be provided to MED. You must designate an on-site manager for the business. The on-site manager must have the authority to make decisions regarding the licenses.		
The City of Grand Junction will complete a finding of suitability natural person (criminal background check) on all Controlling Beneficial Owners with 10% or more ownership.		
	Existing business owner(s) wishing to add a new license type. Attach additional pages if necessary. ☐ Yes ☐ No ☐ Copy of most recent MED Badge included	
	% Ownership	Name: First and Last Phone #
	Owner 1:	
	Owner 2	
	Owner 2	
	Owner 3	
	Owner 4	
	Owner 5	
	Owner 6	
	Form of Identification (must include a color copy of photo ID) for each person ☐ Driver's License ☐ State Issued Picture ID ☐ Valid Passport ☐ Military ID Alien Registration Card (Green Card)	



CANNABIS BUSINESS LICENSE APPLICATION CHECKLIST

- ☐ New Medical Business ☐ New Retail Business
☐ New Co-Located Medical and Retail Business

Entity Name: _____

Trade Name (dba): _____

Street Address of Cannabis Business: _____

Ownership Information Continued	
Non-Resident Owner(s)	☐ Yes ☐ No ☐ NA
	Finding of Suitability Application – Natural Person (by each Controlling Beneficial Owner) (DR 8520 Effective 02/04/22)
	Finding of Suitability Application – Entity (DR 8557 Effective 02/11/222)
	Fingerprinting with Third Party Fingerprinting Service such as: IndentoGo or CO Fingerprinting.



OATH OF APPLICANT

Each Owner with 10% or greater financial interest must complete and sign.

Check Cannabis Application Type:

- ☐ New Business License ☐ Renew a Business License
☐ Transfer of Ownership ☐ Manager Registration

License Type:

- ☐ Retail Store ☐ Retail Testing Facility
☐ Medical Store ☐ Medical Testing Facility
☐ Co-Located Medical and Retail Store
☐ Co-Located Medical and Retail Testing Facility

I declare that this entire application packet, including the state application on which the City will rely, statements, and attachments are true, correct, and complete to the best of my knowledge. I am voluntarily submitting this application to the City of Grand Junction under oath and with full knowledge that I may be charged with offering a false instrument for recording, pursuant to C.R.S. 18-5-114, perjury, pursuant to C.R.S. 18-8-501, *et seq.* or other crimes of deception for intentional omissions and misrepresentations. I understand that any error or omission may constitute grounds for the denial of a license, or if later discovered, the revocation or nonrenewal, of any license issued and the loss of any placeholder issued during the random selection process.

I consent to any background investigation necessary to determine my present and continuing suitability pursuant to state and City rules or regulations, and that this consent continues as long as I hold a regulated cannabis business license.

Authorized Signature:	Title (<i>owner, manager, director, etc.</i>)	% Ownership:
Printed Name:	Business (dba):	Date:

STATE OF _____)

COUNTY OF _____)

Subscribed and sworn to before me this _____ day of _____, 20__.

Notary Public Signature

My Commission Expires: _____



AUTHORIZATION TO USE PROPERTY FOR A CANNABIS BUSINESS

Business Name (dba)
Physical Address of Business:

As owner of the real property described above, I hereby consent to the use of my property for the purpose of conducting a regulated cannabis business so long as said use is authorized under and in accordance with applicable state and local laws.

- ☐ Retail Cannabis Store
- ☐ Medical Cannabis Store
- ☐ Co-Located Medical and Retail Cannabis Store
- ☐ Retail Cannabis Testing Facility
- ☐ Medical Cannabis Testing Facility
- ☐ Co-Located Medical and Retail Cannabis Testing Facility

I understand that the lessee must operate the business on the property described above under the provisions of The Grand Junction Cannabis Licensing Code. I further understand that sufficient measures and means of preventing the escape or emission of any gas, vapors, odors, smoke, dust, heat, or glare from exiting the business must always be provided. I understand that in the event any gas, vapors, odors, smoke, dust, heat or glare, or other substances exit the business, I am, jointly and severally, liable for such conditions, and shall be responsible for the immediate, full clean-up and correction of such condition. I further understand that in issuing a marijuana business license, the City of Grand Junction assumes no legal liability or duty of care regarding the licensee's business operation or possession of the property.

In exchange for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, I hereby release the City its officers, elected officials, employees, attorneys, and agents from all liability for all claims and demands, or causes of action of any kind whatsoever, present or future, in any way relating to or arising from the conduct of the lessee/licensee's business operation on said property.

Signature of Property Owner

Date

Printed Name of Property Owner

Company Name

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____.

My commission expires: _____ Notary Public: _____



CANNABIS BUSINESS LICENSE PROPOSED OPERATING PLAN

(Attach Separate Sheet if Necessary)

Applicant Entity:
Business Name (dba)
Physical Address of Business:

FOR ALL LICENSE TYPES

Attach a statement from the landlord or owner (if owner occupied) that the following systems will be modified to meet the requirements of this and other codes;

1. Electrical system will be modified to meet required electrical load, if necessary.
2. HVAC System – including ventilation systems
3. Fire Suppression System – Required
4. Fire Alarm System – Required
5. Burglar Alarm System – Required
6. Surveillance System - Required
7. Other Code requirements as may be required

Name of owner or manager who will reply, within 24 hours, to the City of Grand Junction and the applicant representative's phone number and email address when premise inspection or local enforcement contact is required.

Name	Title	Phone Number	Email Address

Describe the plan for locked disposal of any cannabis product not sold to a patient or customer in a manner that protects any portion thereof from being possessed or ingested by any person or animal and in a manner that renders disposed of product unusable and unrecognizable.



Describe the ventilation plan of the cannabis business that identifies the ventilation system that will be used to prevent any odor of cannabis off the business premises.

Provide a complete list and quantities of all hazardous materials regulated by federal, state or local government with authority over the business that will be used, or kept, at the cannabis business, the location of such materials and how such materials will be stored:

From where, and through what method, will you receive your supply of cannabis and cannabis products?

Describe the plan for view obstruction of product from outside of the location:

Describe the following site components below and attach a site plan, drawn to scale, with any additional detail necessary to provide a full scope of the proposal:

- Proposed Outdoor Lighting Plan

- Proposed Signage Plan:

- Parking Plan:



FOR MEDICAL AND RETAIL CANNABIS STORES

Describe the products to be sold:

Describe other on-site service(s) to be provided:

Describe the plan for packaging cannabis at store:

Describe your plan to check and card the people who enter your business:

Identify the ID scanner to be used in conjunction with above customer carding plan:

Describe your plan for ensuring that no amount over weight is sold to customers:

ZONING VERIFICATION CANNABIS BUSINESS

Applicant must complete this form for the proposed location. The form must be submitted to the Community Development Director, who will review the location and return the completed form to the Applicant via email.

PROPERTY

Applicant Name (list corporation, LLC, partnership, sole proprietor):
Street Address:
Existing Use of Property:
Property Owner:
Property Owner Contact Information:

PROPOSED USE

☐ Retail Cannabis Store	☐ Co-located Retail & Medical Cannabis Store
☐ Retail Cannabis Testing Facility	☐ Medical Cannabis Testing Facility
☐ A Drive-Thru is Proposed for this Site	

PROPOSED NEW CONSTRUCTION: An 11x17 site plan showing the property and building must be submitted with this request. Site plans must be drawn to scale, be clear and legible, show and label all abutting lots with current use, show all property lines, and provide dimensions of the property and buildings. Failure to provide this information will result in delays in completion of the zoning verification process.

CONTACT INFORMATION:

Name of Applicant:
Trade Name of Business:
Email Address:
Phone:

TO BE COMPLETED BY THE PLANNING DIVISION

Application Reviewed By:	Date:
Zone District: _____ - Horizon Drive Business Improvement District? - Downtown Grand Junction? If yes, what floor?	Allowed Use? ☐ Yes ☐ No ☐ Yes ☐ No _____ Floor ☐ Yes ☐ No
Separation Requirements: - Public/Private Schools, CMU, WCC (1,000 ft) - Substance Use & Mental Health Facilities (500 ft) - Not co-located with a Dwelling Unit	Criteria Met? ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No
Director Signature:	

The purpose of this request is to verify whether the proposed cannabis business is an allowed use on the listed property. This report is not intended, nor shall it be interpreted, as evidence that the proposed business complies with any other provision of the GJMC.

CANNABIS BUSINESS LICENSE APPLICATION FLOOR PLAN AND SECURITY DIAGRAM CHECK LIST

Attach a narrative and dimensioned floor plan diagram *(with color highlighter used to differentiate between licensed and non-licensed areas; and differentiating between patients and public areas)* with all levels and floors displayed and clearly labeled. This must be on either 8 ½ x 11" or 11" x 17" paper and identify the following:

- Square footage of proposed licensed premise
- The principal uses of the floor area labeled on the floor plan, including, but not limited to, the areas where patients, non-patients, general public, employees only will be permitted, private consultation rooms, business office location, cannabis storage areas, stairs, retail area and points of sale
- Location of storage areas for toxic, flammable, or other materials and chemicals
- Location of checkpoints where photo IDs and medical marijuana patient cards will be checked
- All interior walls and doors, noted when locked
- Ventilation capabilities and room locations
- Means of securing ventilation apparatus that passes through to the outside
- Areas where any services, other than the distribution of marijuana, are proposed to occur on the licensed premises
- The separation of the areas that are open to persons who are not patients from those areas open to patients or separation of the areas that are open to the general public
- Front and back premise exterior lighting of licensed premises
- All exterior entrances and exits, noted when locked
- All exterior windows, skylights and roof hatches and means of security
- All alarm activation points
- All interior doors, noted if locked and if any special film applied for security or to view obstruction
- Location of all emergency lighting that is part of the security system and areas of illumination
- Location of exterior front and back lights that illuminate outside entrances and exits
- Location of security cameras, motion detectors, security system computer, recording devices (DVR), and other security system components, and the view area covered by each component
- Location of safe used for overnight storage of receipts and products, and which lists the manner used to affix the safe to the structure of premise building
- Location of Fire Riser room
- Location of Fire Alarm Panel and Annunciator Panel



**CANNABIS BUSINESS LICENSE
SECURITY PLAN**
(Attach Floor Plan and Security Diagram Checklist)

Applicant Entity:
Business Name (dba)
Physical Address of Business:

Describe the procedure for 24/7 monitoring of security systems including:

- Calling sequence in the event the security system is tripped:

Name	Phone Number

- Procedure for verification in the event the system is tripped

--

- Names and emergency cell phone contact information for owners and managers that will be on-site:

Name	Phone Number

- Alarm monitoring company name and emergency contact phone number

Name	Phone Number



City of Grand Junction Addendum to DR 8557 – Natural Person Suitability Application Form

(Owner Information) Cannabis Business Entity Name: _____

The City of Grand Junction requires additional, more stringent criteria for determining the acceptability as a licensee.
Please answer the following questions in addition to similar questions in the state suitability application.

Applicant's Name (Last, First)	Home Address	Date of Birth (mm/dd/yyyy) ____/____/____
Email Address	Phone Number(s)	% Ownership
Social Security Number	Driver's License Number	Driver's License State

Within the 5 years immediately preceding this application, have you been convicted of any misdemeanor, petty offense or local ordinance related to a drug or controlled substance offense?	____ Yes ____ No ____ Initials
Within the 5 years immediately preceding this application, have you been convicted of any non-drug related felony?	____ Yes ____ No ____ Initials
At any time, have you been convicted of a drug or controlled substance felony?	____ Yes ____ No ____ Initials
Within the 5 years immediately preceding this application, have you been released from incarceration or court-ordered supervision, including a deferred sentence, for a conviction of any felony or crime that would be a felony under Colorado law?	____ Yes ____ No ____ Initials
At any time, have you been convicted of any crime of which fraud or intent to defraud was an element of the offense?	____ Yes ____ No ____ Initials
IF YOU ANSWERED YES TO ANY OF THE ABOVE, COMPLETE ATTACHED CRIMINAL HISTORY SUPPLEMENTAL SHEET	

Have you ever had a professional or occupational license denied, suspended or revoked?	____ Yes ____ No ____ Initials
Have you ever had a business or sales tax license denied, suspended or revoked?	____ Yes ____ No ____ Initials
Have you ever surrendered, been denied, or had any type of cannabis related license or permit placed on an administrative hold, suspended or revoked?	____ Yes ____ No ____ Initials
Have you ever been denied any type of cannabis related business license?	____ Yes ____ No ____ Initials
Have you ever had a business temporarily or permanently closed for failure to comply with any tax, health, building, fire, zoning or safety law?	____ Yes ____ No ____ Initials
Have you ever had any administrative, civil or criminal finding of delinquency for failure to file or failure to pay state or local sales or use taxes or any other taxes?	____ Yes ____ No ____ Initials
IF YOU ANSWERED YES TO ANY OF THE ABOVE, COMPLETE ATTACHED LICENSE DISCIPLINE HISTORY SUPPLEMENTAL SHEET	



INVESTIGATION AUTHORIZATION / AUTHORIZATION TO RELEASE INFORMATION

I, _____, hereby authorize the City of Grand Junction, the City of Grand Junction Licensing Authority and the City of Grand Junction Police Department (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

I understand that by signing this authorization a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt. I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the City of Grand Junction, Investigatory Agencies, and other agents or employees of the City of Grand Junction shall not be held liable for the receipt, use or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge and agree to hold harmless, and otherwise waive liability as to the City of Grand Junction, Investigatory Agencies, and other agents or employees of the City of Grand Junction for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to Law Enforcement agents of this or any other state or the government of the United States.

PRINT FULL LEGAL NAME OF OWNER CLEARLY BELOW:

Applicant's Legal Business Name		Trade Name (DBA)	
Applicant's Last Name (Please Print)	Applicant's First Name	Applicant's Middle Name	Applicant's Date of Birth
Signature (Notarized)			Date

NOTARY PUBLIC

State of _____	County of _____
Subscribed and Sworn to before me this ____ day of _____, 20__	
My Commission expires: _____ Notary Public _____	



City of Grand Junction Criminal History Supplemental Sheet

Date	Charge	City	County	State	Disposition/Outcome
Details:					

Date	Charge	City	County	State	Disposition/Outcome
Details:					

Date	Charge	City	County	State	Disposition/Outcome
Details:					

Date	Charge	City	County	State	Disposition/Outcome
Details:					

Date	Charge	City	County	State	Disposition/Outcome
Details:					



City of Grand Junction License Data History Supplemental Sheet

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					

Dates	Type of License	City	County	State	Name of Business
__/__/__ to __/__/__ (mm/yy) (mm/yy)					



City of Grand Junction License Discipline History Supplemental Sheet

Date	Type of License	City	County	State	Reason for Denial/Suspension/Revocation
Details:					

Date	Type of License	City	County	State	Reason for Denial/Suspension/Revocation
Details:					

Date	Type of License	City	County	State	Reason for Denial/Suspension/Revocation
Details:					

Date	Type of License	City	County	State	Reason for Denial/Suspension/Revocation
Details:					

Date	Type of License	City	County	State	Reason for Denial/Suspension/Revocation
Details:					



City of Grand Junction Civil Litigation History Supplemental Sheet

Date	Type of Civil Action	City	County	State	Disposition/Outcome
Were you: ☐ Plaintiff ☐ Defendant ☐ Complainant ☐ Respondent ☐ Other _____					
Details:					

Date	Type of Civil Action	City	County	State	Disposition/Outcome
Were you: ☐ Plaintiff ☐ Defendant ☐ Complainant ☐ Respondent ☐ Other _____					
Details:					

Date	Type of Civil Action	City	County	State	Disposition/Outcome
Were you: ☐ Plaintiff ☐ Defendant ☐ Complainant ☐ Respondent ☐ Other _____					
Details:					



City of Grand Junction Military History Supplemental Sheet

Branch of Service: _____

Dates of Service: _____

Type of Discharge: _____

Rank/Title When Discharged: _____

If you were ever involved in any type of disciplinary action while in the Military, including but not limited to, Captain's Mast, Article 15 or a Court Martial, provide the following information:

Date	Charge	Duty Station	County	State	Disposition/Outcome
Details:					

Date	Charge	Duty Station	County	State	Disposition/Outcome
Details:					

Date	Charge	Duty Station	County	State	Disposition/Outcome
Details:					



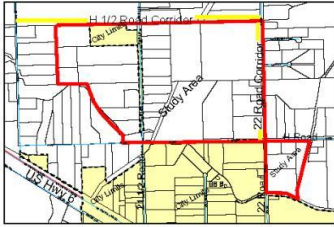
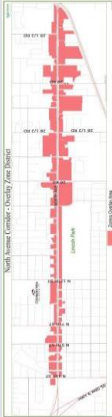
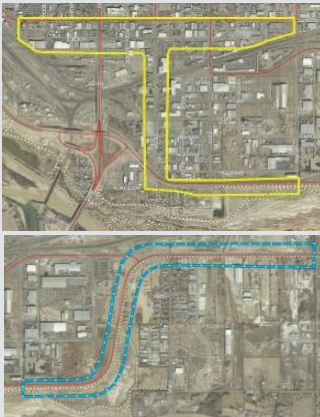
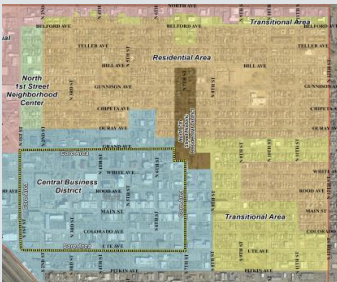
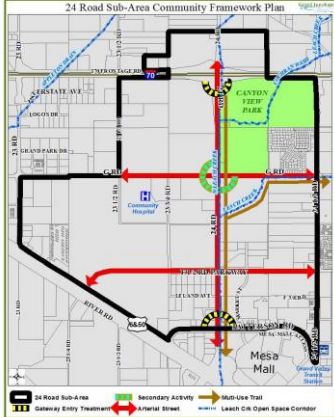
City of Grand Junction Personal Reference Sheet

Please list at least three personal references, excluding family members, that we may contact.

Name	Address	Telephone Number
E-Mail	Relationship to You	
What Information Will This Contact Provide?		

Name	Address	Telephone Number
E-Mail	Relationship to You	
What Information Will This Contact Provide?		

Name	Address	Telephone Number
E-Mail	Relationship to You	
What Information Will This Contact Provide?		

								
	H Road/Northwest Area Plan	North Avenue Overlay District	Greater Downtown Overlay: Corridor	Greater Downtown Overlay: Downtown District	24 Road Corridor	N 7th Street Historic Residential District	Horizon Drive District	All Other Properties & North Avenue Overlay District*
Applicability	Parcels abutting the west side of 22 Rd between H Rd & H 1/2 Rd & the south side of H Rd between 21 Rd & 22 Rd	All properties abutting North Avenue from 1st St to I-7BL	Parcels on the south side of Pitkin Ave & both side of South Ave between 2nd St & 12th St; east side of 2nd St between Pitkin Ave & South Ave; S 7th St between Pitkin Ave & Riverside Pkwy; Struthers Ave & Riverwide Pkwy from S 7th St to 28 Rd	Transitional areas				
Type of Signs Permitted	Monument	NO RESTRICTIONS Incentives for Removing/Limiting Pole & Freestanding Signs in Favor of Wall Signs	Frontage on 7th St, Struthers Ave, or Riverside Pkwy Flush Mount & Monument	Flush mount & monument	Flush Mount, Monument, Exempt, Temporary			Flush Mount & Monument
Maximum Height	8 Feet		12 Feet	8 Feet	12 Feet		Frontage on Horizon between 26 1/2 Road & G Road/27 1/2 Road 12 Feet Frontage on Horizon between G Road/27 1/2 Road & H Road 40 Feet Frontage on I-70 Per ZDC All other properties 20 Feet	20 Feet
Maximum Area	64 SF per Sign Face		100 SF per Sign Face	25 SF per Street Frontage	100 SF per Sign Face		Frontage on Horizon between 26 1/2 Road & G Road/27 1/2 Road 100 SF Frontage on Horizon between G Road/27 1/2 Road & H Road Varies depending on length of frontage, 100 - 200 SF Frontage on I-70 Per ZDC All other properties & regulated cannabis businesses* 75 SF	150 SF
Additional Regulations	No Internal Illumination		Flush Mount Signs per ZDC	10 ft front setback Materials visually compatible with façade materials	- Freestanding Signs perpendicular to approaching traffic - Coordinated design scheme within development project - Only graphics & typography illuminated on Freestanding - single or double faced with stone or veneer base - Flush Mount not externally illuminated	- Discreet & consistent with residential character	- Perpendicular to ROW - Stone or veneer base - 10 ft setback (all) - >6 feet from any curb - 1 Freestanding Sign per street frontage - Flush Mount not externally illuminated - Projecting Signs per ZDC - No Roof Signs	
*Red text indicates proposed changes								

Overlays – Zoning and Signage

H Road/Northwest Area Plan



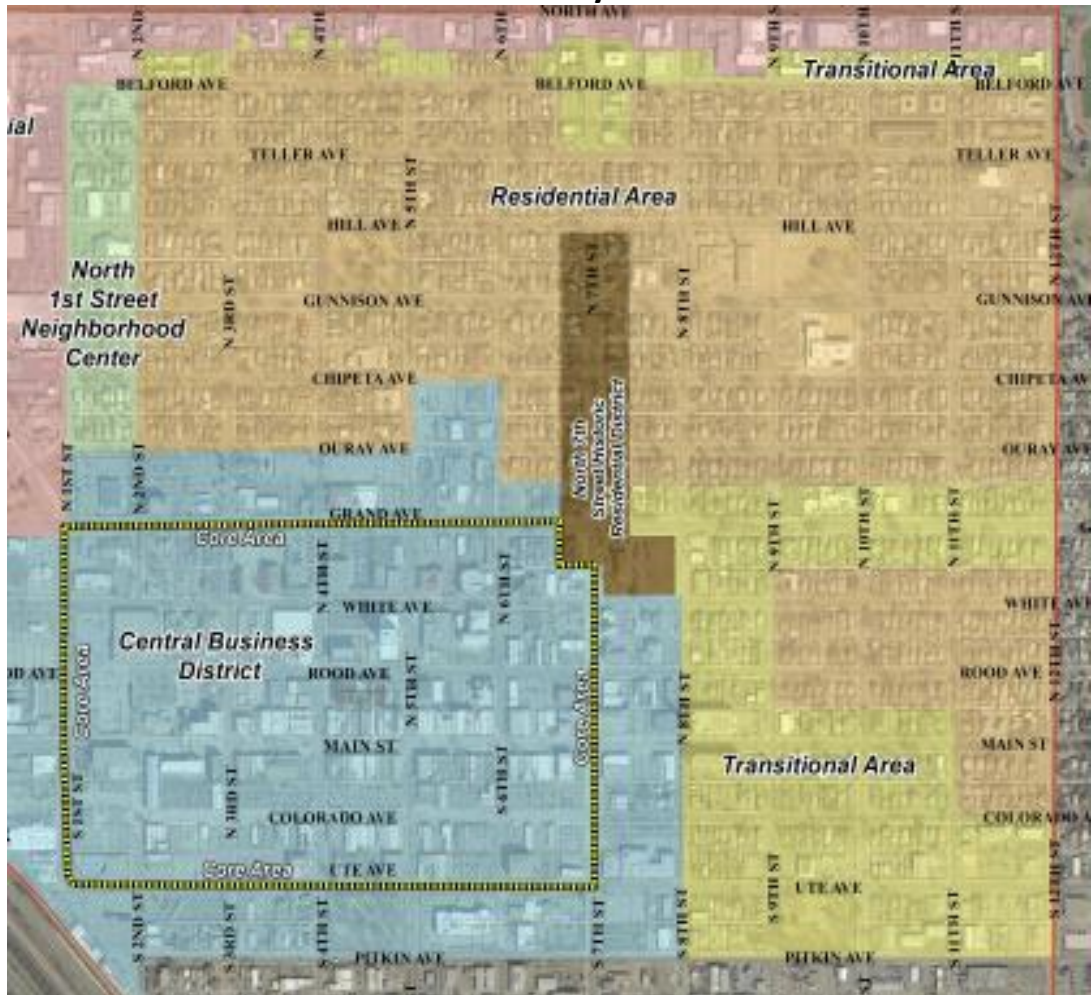
North Avenue Overlay District



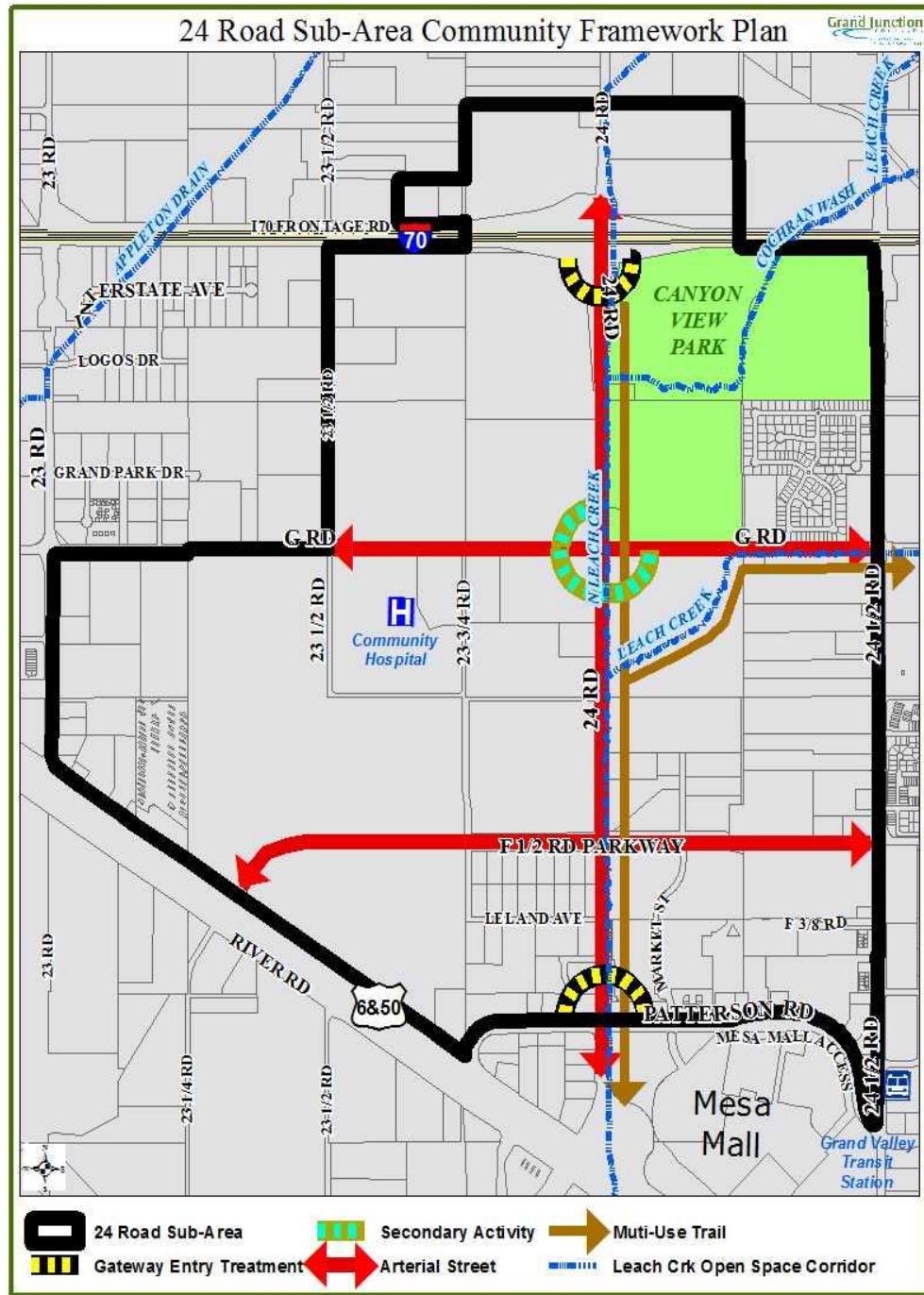
Greater Downtown Overlay: Corridor



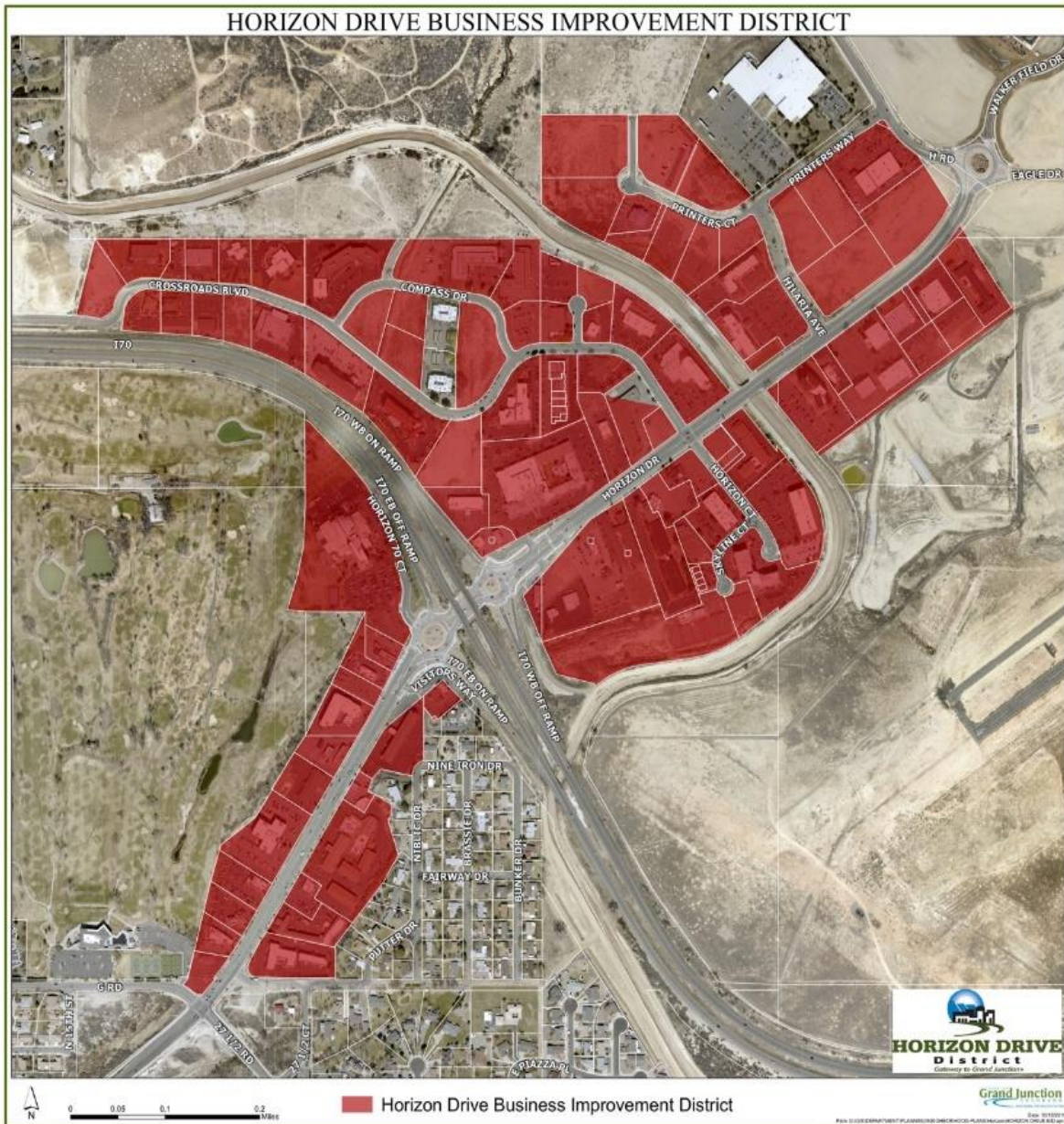
Greater Downtown Overlay: Downtown District



24 Road Corridor



Horizon Drive District



Tamra Allen

From: Renee Grossman <renee@plumcompanies.com>
Sent: Tuesday, February 15, 2022 9:32 AM
To: Council; Gregory LeBlanc; Tamra Allen; John Shaver
Cc: Matt Helm; LisaMarie Pinder; Cindy Sovine
Subject: RE: GJT Marijuana Process

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One final thought to consider, if you want to regulate marijuana like alcohol and you don't want to evaluate the merit of the applicants, you should consider removing the cap and the better operators will survive and the less qualified will go out of business. That's the most fair and will virtually guarantee no litigation. But keep the one ownership one license and no license flipping. Thank you again.

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

C: +1 212-851-6448 | **E:** renee@havacompanies.com

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From: Renee Grossman <renee@plumcompanies.com>
Sent: Tuesday, February 15, 2022 9:16 AM
To: council@gjcity.org; Gregory LeBlanc <gregoryl@gjcity.org>; Tamra Allen <tamraa@gjcity.org>; John Shaver <johns@gjcity.org>
Cc: Matt Helm <matth@plumcompanies.com>; LisaMarie Pinder <lisamarielp@havacompanies.com>; Renee Grossman <renee@plumcompanies.com>; Cindy Sovine <cindy@sovineconsulting.com>
Subject: GJT Marijuana Process

I wanted to provide some comments after the meeting last night while they are fresh in my mind. First, I want to say that I respect that this process is very challenging and regardless of how you do it, some folks will be disappointed. I also understanding the complexities of implementing any selection process.

By way of background, I have a BSE and MBA from The Wharton School and I was an investment banker, management consultant, private equity investor and coal industry executive prior to retiring and starting my company. I spent most

of my career evaluating growth businesses, some of which were successful and some of which failed. I've also been in the marijuana industry since the inception of recreational. In business in general and the marijuana industry, there is a wide array of operators. Some are like me, very professional and run compliant businesses, and others that have limited business experience and still operate outside the regulations and laws. It's not as hard as you might think to skirt the regulations. We don't because of our ethics, not because we can't do it without getting caught.

You want operators that are professional, compliant and can run a good business so you can maximize the tax revenues you will get. Not all operators are the same and if there are bad stores, folks will drive to Palisade or De Beque, even Parachute, to get better products and customer service. Since you chose to cap the number of license, you need operators that will run good businesses to protect your tax base. I respect that you want to do a lottery because it's very hard and time consuming to do a merit system. I fear you will be sued and that will cause delays and someone like me can't keep paying on a property in the event of delays.

I merely encourage you to **SET THE BAR HIGH** for who is allowed in the lottery. Last night, you indicated that you don't want to read business plans or evaluate applications. You said that all "complete" applications will go into the lottery. That is a mistake. Set a bar. Read the applications. Use the merit criteria that staff developed. All those with all Passes and a minimum score of say 15 out of the 18 points on the list go into the lottery and those without do not.

Protect your revenues, get compliant operators that are ethical and will not embarrass you or cause customers to go elsewhere. **Set a bar for entry into the lottery.**

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

C: +1 212-851-6448 | **E:** renee@havacompanies.com

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Tamra Allen

From: Renee Grossman <renee@plumcompanies.com>
Sent: Tuesday, February 15, 2022 9:16 AM
To: Council; Gregory LeBlanc; Tamra Allen; John Shaver
Cc: Matt Helm; LisaMarie Pinder; Renee Grossman; Cindy Sovine
Subject: GJT Marijuana Process

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Regards,

Renée S. Grossman



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C: +1 212-851-6448 | **E:** renee@havacompanies.com

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Tamra Allen

From: Renee Grossman <renee@plumcompanies.com>
Sent: Tuesday, February 15, 2022 9:03 AM
To: Tamra Allen
Subject: RE: Tonight

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I understand who she is but I would have expected you to allow presentations on both sides of the issue. One of the Councilmembers called me and was concerned about her speaking and not presenting an expert for the alternatives. Then that Councilmember said it was not on the agenda so I was surprised.

You guys are going down the same path as Palisade. They discussed hybrid and merit for months, then decided only to do a lottery. The clerk was the Local Licensing Authority responsible for deeming applications complete prior to entering the lottery. No one else in the town even read the applications. There were 5 applicants that applied in zone districts where the use was prohibited. They were allowed into the lottery. There were three applications that we verbatim identical except the name of the company – two were a married couple and the third was David Cox and all three were on his property and David Cox was under investigation for child endangerment and illegal marijuana. All three went into the lottery. Palisade ran two lotteries. The first, they selected 4 so if #1 couldn't open, it went to #2 and so on. All four were unable to open and the town wasted 2 years letting them. They couldn't open b/c they didn't have the money or they were in rural zone districts and there were no roads or utilities to run a commercial business there. I was picked second in the lottery but they didn't have a mechanism to give me the third license (the unused one from the first lottery). They told me to hold off suing and they would give it to me and then they put the moratorium back on. I threatened suit and only dropped it b/c I knew Junction would open up and decided for my mental health it was not worth it. Others sued. The town only had one store for 2 years and there was a lot of corruption. Lots of backroom dealings. It was a mess.

I would encourage you to have some bar set to enter the lottery and have the councilmembers or more than just the hearing officer read the applications. You'll see. There's a huge difference in applicants. Some that came from the black market and don't know how to run a real business in this very competitive industry and others that will maximize your tax dollars. But it's the "deeming them complete" – that's what folks will sue on. I'm sorry to say, I just know this from 7.5 years of experience in the industry. Good luck.

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

C: +1 212-851-6448 | **E:** renee@havacompanies.com

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From: Tamra Allen <tamraa@gjcity.org>
Sent: Tuesday, February 15, 2022 8:51 AM
To: Renee Grossman <renee@plumcompanies.com>
Subject: RE: Tonight

Thank you for your comments, Renee. We anticipate with this direction the process will actually move significantly faster for those seeking a license than an extensive RFP process. I believe the woman you are referring to is Laura Bauer; she is currently an employee of the City of Grand Junction and works as the Interim City Clerk.

Thank you,

Tamra Allen, AICP
Community Development Director
City of Grand Junction, Colorado
tamraa@gjcity.org
970-256-4023

City Hall is open Monday through Friday 8 a.m. to 5 p.m. We also conduct business online, by phone or by appointment as needed.



From: Renee Grossman <renee@plumcompanies.com>
Sent: Monday, February 14, 2022 5:54 PM
To: Tamra Allen <tamraa@gjcity.org>
Subject: Tonight

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I didn't see her on the agenda and since you weren't taking public comments, we all assumed she would not be speaking. This woman was not on the working group, has not been at any of the meetings and has clearly spoken to several council members outside of a public hearing. She may have experience with a few but others have more experience and you should really show a balanced approach. Also, Fort Lupton is apparently a mess.

At this point, I support whatever you do but I may have to drop out. The cost to stay in relative to the odds of getting a store may not favor my continuing. Or any of the smaller players. Anyway, I hope this all works out ok but I'm worried you could get sued now before you even get started. John Shaver never said that.

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

C: +1 212-851-6448 | **E:** renee@havacompanies.com

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Tamra Allen

From: Greg Caton
Sent: Monday, February 14, 2022 4:03 PM
To: Tamra Allen; John Shaver
Subject: FW: Workshop today

FYI

Thank you,
Greg

Greg Caton, ICMA – CM
City Manager
City of Grand Junction
970-244-1502

From: citymanager <citymanager@gjcity.org>
Sent: Monday, February 14, 2022 3:04 PM
To: Greg Caton <gregc@gjcity.org>
Subject: FW: Workshop today

From: Lauren Maytin <laurenmaytin@gmail.com>
Sent: Monday, February 14, 2022 3:00 PM
To: citymanager <citymanager@gjcity.org>; Council <council@gjcity.org>
Subject: Workshop today

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Please provide a copy of my comments to the city council today February 14, 2022

My name is Lauren Maytin. I am a cannabis attorney, the longest sitting board member of CONORML, and I have been an active participant in Cannabis rule making for governmental authorities for over 17 years. As you know, I have been watching and participating in your governmental processes regarding cannabis, your cannabis moratorium, the discussions concerning your new cannabis rules, regulations and ordinances for the city of Grand Junction. I have also submitted comments at meetings wherein you have taken public comment.

Today, I submit the following comments after having reviewed the materials promulgated for tonight's workshop.

ON THE DRAFT MERIT CRITERIA

The merit based approach was overwhelmingly supported by Grand Junction city council and the public - over the course of several months and several public meetings. This approach needs to be more fully developed so that it can stand on its own and not necessitate a lottery in any event. Here are some suggestions about the materials provided by GJ.

* The merit based approach outlined is short and non exhaustive. I submit that there should be additional meritorious classifications.

* I do not see how experience in the cannabis industry over the past 3 years can eradicate the issue of the investor who lost their business when GJ initiated their moratorium - causing them to lose millions of dollars. As such, I would like to see Experience in the Cannabis Industry be recharacterized as "Experience in a Highly Regulated Industry" - this allows the people of GJ who were forced out of the MJ industry and who sought jobs in oil and gas to apply and pass this merit criteria. Being able to follow the rules in a highly regulated field is a translatable skill across fields - for example, industries such as banking, agriculture, mining, oil and gas, milk, and gambling are all highly regulated industries.

* Where is the deference to pre-existing businesses that were forced out of business when GJ enacted their moratorium. Why wouldn't there be points awarded for such a situation?

Also - please consider that you would not need to have a supplemental selection process if there were additional meritorious criteria. And then - if there were 10 applicants that all scored the same - those would be the 10

If there were 20 applicants that all scored the same - then the 10 licenses would be awarded to the first complete applications submitted out of those 20 that all scored the same.

ON THE DRAFT ORDINANCE

1. Definitions should match those that are used by the State - there are numerous examples that should be changed to reflect the language used by MED

examples: Cannabis Business (line 269) vs. Marijuana Establishment

Cannabis operator (line 272) vs Retail Marijuana Business Operator and a Medical Marijuana Business Operator

Cannabis (generally) vs Marijuana

Regulated Cannabis Business vs. Regulated Marijuana Business - medical or retail (line 552)

Regulated Cannabis Plant vs Retail or Medical Marijuana (line 563)

2. mention of license suspensions - what will you do with suspensions held in abeyance? (Page 10 c.)

3. What definition will be used for moral turpitude (page 10 lines 401-402) - use CRS?

4. private clubs are not open to the general public - requires membership and compliance with numerous club only rules (line 519)

5. what are you doing with caregivers? Appears you want then classified as a regulated mj business? Lines 552 - 555

6. Regulated cannabis means any person who possess cannabis openly and publicly? I do not understand that sentence.

7. Lines 584-587 - if caregiver's need licenses from GJ and the state - how will they do that - they cannot get a license from CDPHE - but they can register their caregiver grow with CDPHE

8. Lines 632-638: this P is hard to follow - "without the need for public hearing" and then it states "Notice of such action and for a public hearing before the Authority on the matter ...

9. Lines 891-894: no drug related felony convictions - but just before saying that it reads - no felony convictions in last 5 years. Current state law permits of the law is different

10. Randomized Selection Process - it is clear that no one wanted lottery or a "randomized" process. Not sure why staff went against the vote of council and the voice of the people.

11. line 969 typo event?

12. Lines 966 - 976 - why not make this like the state application?

13. refund only if request - policy should be just to refund 1125-1129

14. page 30 - licenses are not transferable or assignable - can a licensee ever sell their business? Can there be a change of location or change in corp structure if not assignable or transferable? Then the ordinance says lines 1175-1176 no transfer until 3 years has passed since issuance - is the license transferable and assignable after 3 years then?

15. can a person holding less than 10% interest in a marijuana license apply to hold another license in GJ?

16. page 39 - paragraph b doesnt make sense at all - and it reads as follows: - It shall be unlawful at a license regulated cannabis any time not permitted by this code; for any reason to operate a regulated cannabis business" this sentence doesnt make sense

17. page 40 paragraph j - doesnt make sense - the sentence reads as follows: "It shall be unlawful any Licensee, owner, business manager, ... may be charged with this violation " this sentence makes no sense

18. paragraph l doesnt make sense either - page 40 it shall be unlawful for any person to smoke, use, or ingest on the premises... fermented malt beverage, malt ... or any controlled substance except in compliance with the directions on a legal prescription for the person ...

19. page 40 paragraph m - you can operate a store while using medical marijauna and not be under the influence however, you cannot be in compliance with a prescription because MJ is not by prescription just a recommendation.

20. line 1554-1555 - (o) what about caregivers

21. line 1566-1568 - what about caregivers

22. page 42 (dd) what????

23. hours of operation - please consider 11pm to 7 am - people going to work might want to pick up medicine before starting their work day so when they go home they dont have to go to the MJ store.

I had a couple more comments but ran out of time

--

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Tamra Allen

From: Renee Grossman <renee@plumcompanies.com>
Sent: Monday, February 14, 2022 10:30 AM
To: Council; Tamra Allen; Gregory LeBlanc; John Shaver
Subject: Additional comments

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I have two additional comments that I hope you'll consider. After reading the staff report and draft ordinances.

- Since it appears you intend to do the hybrid approach – merit to randomized – I would ask you to consider weighting the lottery (giving more balls) to those with higher scores.
- 5.13.040 Consider adding to denial of a license renewal that if the store is not operational a part of or a majority of the year that renewal can be denied. This will stop non-operational licenses from blocking others to come into GJT

In general I just want to compliment staff for the extensive work that went into this ordinance.

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

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Tamra Allen

From: Matt Helm <matth@plumcompanies.com>
Sent: Tuesday, February 15, 2022 10:21 AM
To: Renee Grossman; Council; Gregory LeBlanc; Tamra Allen; John Shaver
Cc: LisaMarie Pinder; Cindy Sovine
Subject: Re: GJT Marijuana Process

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Just to piggyback on Renee's comments, if you have a cap then you are creating a scarce market. The non-merit or non-weighted lottery expands the potential pool of applicants. So, the ordinance as proposed maximizes the potential pool of applicants chasing a very limited supply. The logical end here is that there will be an intense secondary market for licenses because they inherently have a lot of value exclusive of operating a store. Additionally, this will invite all sorts of legal and financial engineering as enterprising attorneys and bankers seek structures to get around anti-flipping language. Lastly, because of the market distorting effects of the cap, the arbitrary nature of the process (totally random), and the significant amount of capital already expended by the potential pool of applicants, the city is almost guaranteed to face lawsuits.

We are pro – merit because that is the way the city could ensure it got good operators with characteristics the city wanted to see including diversity, local operators, community engagement, etc. Obviously, we believed we would fare well in this process. Since merit or a “high bar” to qualify aren't now in the picture we would strongly urge you to consider lifting the cap. The benefits to the city include:

- More upfront revenue via application and licensing fees
- Ease of process. You could have stores up and running by fall
- Litigation protection. Its hard to get sued for something open to everyone
- Over time, you will get the best operators in GJ because it's a free, competitive market

Capitalism and the free market are the backbone of successful economies. In light of the council's decision to avoid subjectivity and eliminate any material selection criteria we ask that you eliminate the cap and let the free market and competition determine who operates in GJ.

Many thanks for your consideration,

Matt

**ha
va.**

MATT HELM, CFA

Chief Financial Officer

C: 630-247-8272 | **E:** matth@havacompanies.com

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From: Renee Grossman <renee@plumcompanies.com>

Date: Tuesday, February 15, 2022 at 9:32 AM

To: council@gjcity.org <council@gjcity.org>, Gregory LeBlanc <gregoryl@gjcity.org>, Tamra Allen <tamraa@gjcity.org>, John Shaver <johns@gjcity.org>

Cc: Matt Helm <matth@plumcompanies.com>, LisaMarie Pinder <lisamariiep@havacompanies.com>, Cindy Sovine <cindy@sovineconsulting.com>

Subject: RE: GJT Marijuana Process

One final thought to consider, if you want to regulate marijuana like alcohol and you don't want to evaluate the merit of the applicants, you should consider removing the cap and the better operators will survive and the less qualified will go out of business. That's the most fair and will virtually guarantee no litigation. But keep the one ownership one license and no license flipping. Thank you again.

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

C: +1 212-851-6448 | **E:** renee@havacompanies.com

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From: Renee Grossman <renee@plumcompanies.com>

Sent: Tuesday, February 15, 2022 9:16 AM

To: council@gjcity.org; Gregory LeBlanc <gregoryl@gjcity.org>; Tamra Allen <tamraa@gjcity.org>; John Shaver <johns@gjcity.org>

Cc: Matt Helm <matth@plumcompanies.com>; LisaMarie Pinder <lisamariiep@havacompanies.com>; Renee Grossman <renee@plumcompanies.com>; Cindy Sovine <cindy@sovineconsulting.com>

Subject: GJT Marijuana Process

I wanted to provide some comments after the meeting last night while they are fresh in my mind. First, I want to say that I respect that this process is very challenging and regardless of how you do it, some folks will be disappointed. I also understand the complexities of implementing any selection process.

By way of background, I have a BSE and MBA from The Wharton School and I was an investment banker, management consultant, private equity investor and coal industry executive prior to retiring and starting my company. I spent most of my career evaluating growth businesses, some of which were successful and some of which failed. I've also been in the marijuana industry since the inception of recreational. In business in general and the marijuana industry, there is a wide array of operators. Some are like me, very professional and run compliant businesses, and others that have limited business experience and still operate outside the regulations and laws. It's not as hard as you might think to skirt the regulations. We don't because of our ethics, not because we can't do it without getting caught.

You want operators that are professional, compliant and can run a good business so you can maximize the tax revenues you will get. Not all operators are the same and if there are bad stores, folks will drive to Palisade or De Beque, even Parachute, to get better products and customer service. Since you chose to cap the number of license, you need operators that will run good businesses to protect your tax base. I respect that you want to do a lottery because it's very hard and time consuming to do a merit system. I fear you will be sued and that will cause delays and someone like me can't keep paying on a property in the event of delays.

I merely encourage you to **SET THE BAR HIGH** for who is allowed in the lottery. Last night, you indicated that you don't want to read business plans or evaluate applications. You said that all "complete" applications will go into the lottery. That is a mistake. Set a bar. Read the applications. Use the merit criteria that staff developed. All those with all Passes and a minimum score of say 15 out of the 18 points on the list go into the lottery and those without do not.

Protect your revenues, get compliant operators that are ethical and will not embarrass you or cause customers to go elsewhere. **Set a bar for entry into the lottery.**

Regards,

Renée S. Grossman



RENÉE S. GROSSMAN

President & CEO

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Nicole Galehouse

From: Tamra Allen
Sent: Monday, March 7, 2022 6:03 PM
To: Nicole Galehouse
Cc: Jace Hochwalt; Laura Bauer
Subject: Fwd: Comments on proposed RMJ ordinance

Nicole, could you please make sure this public comment is included in the packet?

Thx

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

From: comdev <comdev@gjcity.org>
Sent: Monday, March 7, 2022 4:42:57 PM
To: Tamra Allen <tamraa@gjcity.org>; Jace Hochwalt <jaceh@gjcity.org>
Subject: FW: Comments on proposed RMJ ordinance

For you, maybe?

Pat
Pat Dunlap
Planning Technician
City of Grand Junction - Community Development
250 N 5th St, Grand Junction, CO 81501-2628
patd@gjcity.org; (970) 256-4030; (970) 256-4031 fax
Office hours: M-F, 8:00 AM - 5:00 PM

From: Daniel Rowland <drowland.am@gmail.com>
Sent: Monday, March 7, 2022 15:29
To: Council <council@gjcity.org>
Cc: John Shaver <johns@gjcity.org>; comdev <comdev@gjcity.org>
Subject: Comments on proposed RMJ ordinance

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Dear City Council and Staff,

Thank you for all the hard work that has gone into developing the City's retail marijuana ordinance thus far, and for patiently and diligently working through all of the issues.

As Council prepares to review the draft ordinance, I just wanted to offer a few observations and questions:

- The methodology of the sufficiency/randomization (hybrid) selection process does not articulate the evaluation

process. The criteria include 10 different categories, five of which are pass/fail. The other five have points assigned to them. What will be the process to decide who qualifies for the lottery? That is, is there a minimum number of points that applicants must receive in order to advance?

- Seven of the 18 available points are assigned to one category, Community Benefit, in which it says applicants must commit "a minimum of 10% of business profits dedicated to local public causes, and/or a minimum of 1,000 public service hours, and/or dedicated assistance to the community, as defined and described by City Council, to support/advance City policy goals." Do applicants have to commit to doing all three of these things to score full points? What is the definition of "dedicated assistance to the community?"

- Lastly, the point on "10% of business profits" is potentially problematic. Given that retail marijuana stores are already subject to local taxes, state taxes, special sales taxes on RMJ at the local and state levels, and punitive federal 280E tax obligations, it's likely that many of Grand Junction's RMJ stores won't be "profitable" after taxes, at least in the near term. What then? Also, is the City going to audit each business to determine their true, after tax bottom-line?

With the additional City tax of 6% on RMJ sales already in the works, it's not realistic to expect retailers to come up with an additional 10% of after-tax profits. That money simply won't exist, and would be a headache for the City to account for anyway.

A more reasonable approach, and one that doesn't force the City into the time-consuming and complicated profit auditing business, would be to allow businesses to dedicate a small percentage of gross receipts (top-line revenue) to Community Benefit. This would serve more like a de facto increase to the 6% special sales tax, with those additional funds being earmarked for Community Benefit. The increase should be optional and the City should expect not more than 1% to be dedicated by prospective RMJ businesses. That amount is still significant (again considering there will likely already be a 6% special tax), but would be more manageable for the businesses (i.e., that money might actually be there) and more manageable for the City finance folks responsible for tracking and collecting these extra funds.

Thank you for your time and consideration.

/ Dan

--

Dan Rowland

Cordillera Advisory Management

Mobile: +1 303 579 7573

Email: drowland.am@gmail.com

Janet Harrell

Subject: FW: More comments

From: Renee Grossman <renee@plumcompanies.com>
Sent: Thursday, March 10, 2022 2:53 PM
To: Council <council@gjcity.org>
Cc: Tamra Allen <tamraa@gjcity.org>; John Shaver <johns@gjcity.org>
Subject: More comments

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A few comments on the redline ordinance.

- Page 25, line 980-982. Section 5.13.016.(d)2. I believe your intention is to only allow one application for each applicant in the City. This paragraph could be construed to read as one application per location, which would allow some folks to get multiple locations and file multiple applications to stack the lottery. You may want to clarify or strike the words "at any location" and have it read "one license in the City"
- Page 27, line 1081. Section 5.13.016.(d)9. You may want to add unless already licensed by the State. For example, in my company some of our owners were licensed prior to the necessity for Findings of Suitability so the fact that they hold active Owners' licenses should suffice for this requirement.
- Page 34, Line 1341. There's a typo. Should be commenced, not commence

Regards,

Renée



RENÉE S. GROSSMAN

President & CEO

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03/11/2022

Honorable Grand Junction City Councilmembers and dedicated City Staff,

Thank you for all of the hard work, time, and resources you all have committed to developing a fair and transparent licensing system and regulatory program for marijuana businesses desiring to operate in Grand Junction.

MIG members and staff have been participating in the public comment part of this process since Summer 2021 when the City embarked on its community listening tour to understand community members' priorities for bringing regulated marijuana stores into the city limits. As the trade association for Colorado cannabis businesses MIG has seen for over 12 years, what works and what doesn't when it comes to creating local regulations for cannabis businesses.

It is still the recommendation of the Marijuana Industry Group that the City adopt a merit based application process instead of a lottery. This will allow you to choose the 10 most qualified applicants. If the City wants to prioritize local businesses or sustainability, or any other criterion, this can be accomplished with a merit based selection process.

The draft ordinance represents a good first draft. Clearly a lot of thought went into it, but there are still a number of improvements that can be made. With the 03/14 Council workshop and the 03/16 Council meeting on the horizon, MIG offers these final suggestions and comments with the intention to help the City draft a clear, unambiguous ordinance to establish the most effective and fair marijuana licensing program that will result in the promotion of public health, safety, and welfare.

Some requirements included in the ordinance are unnecessary, overly burdensome, or antiquated. These are requirements that would be specific to Grand Junction and either contradict state rules or lack alignment with standard protocols used by businesses in other local jurisdictions, which could result in confusion and noncompliance by selected operators. For clarity, all citations refer to the redline version released by the City, located [here](#).

- Examples:
 - Definitions not used elsewhere in state or local law:
 - "Appealing to minors" (pg. 7, lines 259-264)
 - "Company material" (pg. 8, lines 309-314)
 - Recommendation: Remove these terms from the ordinance.
 - Terms with definitions that are different than those provided by MED:
 - "Educational material" (pg. 8, lines 325-330)

- "Good moral character" (pg. 10, lines 393-428)
 - Recommendation: Align the definitions for the above terms with the definitions found in the MED Code.
- 5.13.029(a)(3) - Security Requirements
 - Recommendation: Strike, "If the alarm system includes a panic alarm, an operable dedicated phone for law enforcement to respond to the alarm shall remain on the premises at all times." (pg. 45, lines 1747-1750)
- 5.13.040(b)(2) - Renewals
 - Signage sizes are different requirements than those required by the MED (Pg. 61, lines 2325-2329)
 - Recommendation: Align signage requirements with those set by the MED.
 - Recommendation: Move signage requirements out of the Renewals section and into 5.13.036 - Operational Standards.
- Other suggestions for clarity, consistency, and conformance with state law
 - 5.13.031(a) - Report Requirements (Pg. 46, lines 1793-1794)
 - i. We suggest changing "at least 30 days before" to "within 10 days of." Based on industry experience, operators will repeatedly violate this provision if left as drafted.
 - 5.13.032(b-c) - Public Health and Labeling Requirements (Pg. 47, lines 1831-1839)
 - i. Packaging and labeling requirements are, by statute, a function of the State Licensing Authority. As written, this provision would require packaging & labeling changes with statewide impacts to production. The state should be the appropriate level at which to determine proper packaging and labeling. If Grand Junction imposes its own packaging and labeling standards it will create significant expense for any product company seeking to do business in The City. Does the Grand Junction do this for other industries?
 - ii. To preserve the intent, we suggest striking "packaged and labeled in a manner" from (b) and replacing it with, "accompanied by a warning statement."
 - iii. We suggest striking (c) in its entirety.
 - 5.13.034 - Prohibited Acts (Pg. 48-53, lines 1867-2028)
 - i. The Prohibited Acts section is improperly used to rehash every single provision of the ordinance. This is unnecessary. Breaking any rule in the ordinance doesn't need to be listed in order to constitute a violation. This makes it really hard to navigate the rules.
 - ii. We suggest a detailed review of this section, and alignment with other municipalities (e.g. Boulder, Denver), where prohibited acts are succinct and illustrative examples.

- iii. We also suggest rethinking inclusions like (n) and (p), which are consumer violations and not license violations--typically the rules (and violations) applicable to things like public consumption are contained in entirely different chapters.
- o 5.13.035(f) - Nonrenewal, suspension or revocation of license (Pg. 56, lines 2151-2156)
 - i. The ordinance already grants the authority to call a hearing when there is good cause to do so, in 5.13.040(j) - Renewals. In this section, a public hearing can be a contingency for annual license renewal, without any mention of what criteria would trigger such a measure.
 - ii. We suggest striking (f) in its entirety. Renewals should not be the sole cause for a public hearing requirement for a license in good standing. Forcing licensees in good standing to undergo a renewal hearing unnecessarily burdens both the business and the City.
 - iii. We also suggest eliminating the requirement for public hearings for winning applicants. The City will have determined where business can operate, and which operators are suitable for licensure. If these criteria have been met, there is no need for a further hearing.
- o 5.13.041(4) - Compliance monitoring (Pg. 63, lines 2420-2424)
 - i. This section uses the terms "minimum sale age" and "underage person." This is more accurate than in other areas (5.13.033(b)(1) and 5.13.034(d)) where the phrases "21 years of age or older" and "under 21 years of age" are used.
 - ii. We suggest using the former options consistently throughout the ordinance.
- Outstanding questions
 1. How will applications be deemed complete upon submission?
 2. Will a public hearing be required prior to the lottery selection? If so, please provide justification as to why the public hearing would take place *before* being selected for a license in a lottery process as doing so beforehand will force both the City and all of the business applicants to incur time and expense, in many instances, when the businesses may not qualify for licensure.
 - i. Also, will the public hearing have a "needs and desires of the neighborhood" criteria that will need to be satisfied?
 1. If so, what happens to a lottery winner's spot if they are not successful at such hearing, who does the license spot go to?
 2. If there are no "needs and desires of the neighborhood" criteria to meet, then what is the point of holding a hearing at all?
 3. What does approval entail in reference to, "The City Manager approved the Applicant's initial application" (pg. 34, line 1330)
 4. Will a business be allowed to transfer a license to a different premise in the event the property owner changes and the new owner no longer wants to lease to a marijuana business? If not, please provide justification.

5. Also, will the winning applicants be able to change locations prior to issuance of the initial license (provided there is no change of ownership involved) for good cause, provided the proposed location meets the necessary requirements?
6. Regarding transfers of ownership, will the City grant exceptions for the complete sale of a company? (as opposed to trying to sell off the license, which we agree should be prohibited) If not, please provide justification.
7. Also, what happens to a potentially available license award, if one or more of the lottery winning applicants are unable to finalize licensure and /or fail within the initial COO prohibition period?
 - i. In the unlikely but possible event that a license award winner cannot open (due to economic factors, license violation, or materially adverse event), MIG recommends the City select runners up in order as well as contemplate a process to award the next in line so as to have 10 active licenses per City Council's wishes. In other words, if a licensee fails before or after opening for business, there should be a process to fill the vacancy.
8. Why reduce the operating hours' closing time from midnight to 10pm? Most municipalities (including Littleton and Denver) in recent years have changed the closing hours to midnight with no issues.
9. Please elaborate on:
 - a. 5.13.028 - Persons prohibited as licensees
 - i. (a)(14) - (pg. 43, lines 1685-1688)
 1. Does the City intend that a person who owns a marijuana license in the City cannot own/operate any other type of business in the City? If so, please provide justification.
 - ii. b)(4) - (pg. 44, lines 1704-1707)
 1. Please clarify what evidence or lack of evidence regarding the ability of the individual to refrain from being under the influence of intoxicating or controlled substances while performing regular tasks and operating a regulated cannabis business would be suitable for the Authority to consider when making an evaluation of good moral character.
 - b. 5.13.034(y)(ii-iii) - Prohibited Acts
 - i. (y)(ii) - Please provide additional context around Council's intent that any person who, "provides advice to the regulated cannabis business for compensation" be listed on the application, or amendment thereto. (Pg. 50, line 1943)
 1. Many cannabis businesses hire consultants for assistance with compliance, employee training, government affairs, etc. Does Council intend that these contractual workers be listed on an application? Is this requirement in the rules for any other industry in Grand Junction?

- ii. (y)(iii) - Please provide additional context around Council's intent that any person who, "receives periodic compensation totaling \$1,000 or more in a single year for services related to the regulated cannabis business" be listed on the application, or amendment thereto. (Pg. 51, lines 1944-1947)
 - 1. Many cannabis businesses use contract workers to complete facility upgrades, ranging from standard property maintenance to specialized one-time projects, such as upgrading a lighting system. Does Council intend that these contractual workers be listed on an application? Is this requirement in the rules for any other industry in Grand Junction?

While we hope the City considers all of the above suggestions, the three most impactful ones we hope the City adopts are the removal of the public hearing requirement for all applicants before the announcement of the lottery winners, the removal of Grand Junction specific packaging requirements, and the return to a merit based application process. Thank you again for your thoughtfulness and your consideration.

Truman Bradley,
Executive Director
Marijuana Industry Group

Janet Harrell

Subject: FW: Cannabis workshop comment

From: scott beilfuss <sgbuwec@gmail.com>

Sent: Monday, March 14, 2022 11:28 AM

To: Council <council@gjcity.org>

Subject: Cannabis workshop comment

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To City Council,

Thank you for all your work on the dispensary rules and ordinances. Given the dramatic changes in the direction of licensing from merit based to a lottery the public would like transparency and background on the new direction. Previously the council pivoted from a hybrid merit/lottery licensing model to a merit-based licensing format. Now a full lottery proposal is now on the table with no reason for the new direction.

Much of the discussion from industry, legal commentators and city council members regarding lotteries pointed to the real possibility that:

- 1) With few financial and no experience requirements, other lotteries have had lottery winners being awarded licenses and then not have the experience or capital to open and run a dispensary. The lottery process alleviates some possibilities of litigation against the city, however, the expectation from voters was that the city creates a process that awards licenses to companies with the greatest possibility of success for maximizing collecting taxes. The cannabis board held off on specifying the licensing process on request of the city to supply flexibility in crafting the process. As the possibility very much exists that many lottery winners may not have the finances or skills to be successful, it appears that the city is fine with a substantial number of failures from the lottery system. This was not the expectation of the voters or cannabis board to throw outcomes to the wind.
- 2) Industry leaders that want to locate here and have already been initiative-taking in preparing for the licensing program will be left off the table. Do we want the weakest applicants to win the majority of licenses and underperform or not perform on potential tax collections? On a merit-based system the top ten most qualified and financially healthy applicants win licenses. The city puts out lots of RFPs and I doubt there are any that the winner is pulled out of a hat. Usually, the city would want the companies most qualified and competitive to be selected to provide good value to the taxpayers and the highest chance of success.

One other comment on the distribution of funds. The very vague verbiage that money would be distributed to GJPD for enforcement of the ordinances and to the parks plan leaves the door wide open for most of the funding to go to law enforcement. This was not the wishes of the voters, and I would like to see citizen oversight on this. As with many funding request proposals, the requests to intended funding can be construed many ways to match funding guidelines. There are no pushbacks to the funding request and the GJPD could easily request multiple new vehicles, officers and a new division that would take the entire tax collections from this year on out to enforce the ordinances. The taxpayers expect

the majority of these monies to go to recreation upgrades and this should be honored. There have already been discussions on redirecting funds and the taxpayers are concerned about staying true to the amendment as voted on.

Regards,

Scott Beilfuss

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*Scott Beilfuss
(970) 250-2838
Grand Junction, CO*

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March 14, 2022

GJ City Council

My name is Lauren Maytin, I reside in Roaring Fork Valley, am the longest sitting board member of CONORML; I am also a member of the Colorado Bar Associations ethics committee. I am an attorney representing and aiding businesses, municipalities, owners and investors operating in the marijuana space and my partner and I helped write Colorado's Amendment 20 in 1997.

I submitted a written letter to council prior to the February 14, 2022 meeting but it does not appear as though it was reviewed by council. I ask the council to reread that letter.

Having read your most recent staff report and the supporting materials I am concerned:

DEFINITIONS

Why is Grand Junction using their own set of definitions for the Marijuana Businesses within its city limits. Why is the city insisting on using "Cannabis" instead of "Marijuana"? The State of Colorado uses the word "Marijuana" exclusively. Why does Grand Junction believe the word "Cannabis" is more appropriate to use in its ordinance than "Marijuana" and why would mirroring the State be misguided?

If the definitions between municipality and the State of Colorado match there will be little room for misinterpretation and litigation. If, someday, the Colorado Marijuana Enforcement Division decides to change their word from "Marijuana" to "Cannabis", then the City of Grand Junction could easily follow suit and continue to be on track with the State of Colorado. The Colorado Marijuana Enforcement Division uses the term "Marijuana" for everything: Colorado Marijuana Code; Medical or Retail Marijuana Stores; Marijuana Establishments; Medical or Retail Marijuana Testing Facility and the list could go on and on. Retail Cannabis is not a term found in the Colorado Marijuana Code or any of the State's rules or regulations.

As such – I would suggest using the word "Marijuana" in every single place Grand Junction has written "Cannabis".

Furthermore – why is Grand Junction writing definitions for everything **already defined** by the State of Colorado? In some instances you are making the definitions less clear.

Just one Example:

State: “Retail Marijuana Cultivation Facility” means an entity licensed to cultivate, prepare, and package Retail Marijuana and sell Retail Marijuana to Retail Marijuana Stores, to Retail Marijuana Products Manufacturers, and to other Retail Marijuana Cultivation Facilities, but not to consumers

GJ: “Retail Cannabis Cultivation Facility” is an entity licensed to cultivate, prepare, and package cannabis and sell cannabis to Retail Cannabis Stores, to Cannabis Products Manufacturing Facilities, and to other Cannabis Cultivation Facilities, but not to consumer.

(Cannabis - **retail, medical or both? Cannabis means Marijuana and usable form of marijuana**)

MERIT/LOTTERY

The merit based approach was overwhelmingly supported by Grand Junction city council and the public - over the course of several months and several public meetings. This approach needs to be more fully developed so that it can mean something. Set the bar high to get into the lottery! GJ will get more than 10 qualified applicants; a lottery is guaranteed.

NOTES:

Buffering Distance Computation - Zoning

“Nearest property line of the land use to the nearest portion of the building **or** unit in which the retail cannabis is to be sold ... I suggest using either nearest portion of the building or unit – if GJ uses “or” – it can be both.

*Sell a License upon death or by court order

* Why is GJ doing a finding of suitability when the State already does it? Costly and time consuming. Have applicant submit finding of suitability by state

*Operating plan application – typo – HVAC not HVAV

*no drug related felony convictions at any time in life - Current state law permits and includes these persons within the definition of social equity.

If I had additional time to address all the ordinances by letter format I would. I have run out of time to do so but will be prepared for public comment whenever you should permit that course of conduct. For now, I am willing to talk with you about this letter, prior letters or any other marijuana issue in depth at any time. Feel free to contact me @9709252501 or laurenmaytin@gmail.com.

Sincerely,

Lauren R. Maytin, Esq.



Grand Junction City Council and Staff
250 N 5th Street
Grand Junction, CO 81501

March 14, 2022

Re: Grand Junction Marijuana Licensing Ordinance

First, I'd like to acknowledge all the hard work Council has put into this ordinance. My firm has been working with various stakeholders and staff to participate in the process since the City began holding public listening sessions last summer. While we understand the direction Council is taking the ordinance, we remain greatly concerned with a lottery system being hastily thrown together. The lottery system that tends to be taken advantage of and "gamed" by well capitalized cannabis conglomerates or unscrupulous entities with no experience in the cannabis industry. It may feel like the path of least resistance, but history has demonstrated that lottery systems end up costing more and taking more time to implement than a traditional merit based system.

Adams County, for example, moved forward in 2020 to license cannabis hospitality businesses and found that applicants would recruit relatives and friends to submit applications for the lottery. They did this as a way to collect several "tickets" on behalf of people with no vested interest in the industry who were acting as a placeholder or "owner" in name only. To date, none of the 5 lottery winners have opened their businesses for operation because of conflicts around trying to transfer ownership. In Broomfield, another city that went down the lottery path, there have been 2 lawsuits that have severely delayed licensing and therefore denied much needed tax revenue to the city. And unfortunately, the social equity applicant in Broomfield was shut out completely.

While we still believe a merit based approach is the quickest way to evaluate quality applicants and ensure the fastest approval track for businesses to open and the City to collect revenue, we want to work with the City to ensure that the process moving forward can do that as well - to the greatest extent possible.

Mandatory Lottery Entry Criteria

We encourage Council to set a higher bar for entry into the lottery, guarantee that the highest quality applicants enter the lottery, and ensure that only those who are dedicated to maintaining a long-term relationship in the community will win the privilege of a license. The following are 5 criteria that were identified by Council as priorities, and it is standard practice that a plan for each be provided prior to the issuance of a license, or in this case, a lottery entrance.

Experience in the Cannabis Industry - Ability to demonstrate, through a business plan and management experience, the applicant's ability to operate and develop a business in a highly regulated industry with a cumulative demonstrated experience of at least three (3) years. This would include:

- Applicant should be badged as an owner by the MED before submitting their application in the lottery. This will prevent gamesmanship of loading the lottery with false parties, insincere applications, and those looking to transfer or sell the license.
- Executive summary of Applicant's business plan demonstrates excellent familiarity with the relevant rules, regulations, and financial structure of the regulated cannabis industry in Colorado.
- Attestation that Applicant has employed at least 10 employees badged under MED.

Detailed Business Plan – Applicant provides a business plan of overall quality and detail to indicate that the business will achieve operational stability and comply with best practices and regulations concerning employment and prevention of crime and nuisance. The business plan must include the following:



- Provide a reasonable estimate of costs related to build out and startup
- Proof that a facility has been secured and that the location meets zoning requirements
- Proof of a plan/access to technology to facilitate ordering, tracking and ID/age purchase verification.
- Security Plan including storage procedures
- Environmental Impact Plan. This must include a means for odor mitigation and safe disposal of solvents and other hazardous materials.
- Compliance Plan to keep up with the changes in state and local regulations in the required timelines. This shall include an employee training plan.
- Complaint Resolution Plan – must demonstrate a viable process for conflict and nuisance avoidance and resolution that will provide a high likelihood that complaints regarding the direct impacts from the business operations (e.g. odor, traffic, noise, etc.) will be avoided and/or resolved sufficiently and expediently.

Quality of Character – Because these are incredibly valuable and desirable licenses in a very regulated industry, Applicants should be held to high standards and engage in the license process honestly and with integrity. Therefore, the following must be required in order to enter the lottery process:

- An attestation that each application has no overlapping partners or investors or immediate family members of partners or investors with another application
- An attestation that each application has no overlapping investors or investment dollars with any other application.
 - *Any Applicant found to have overlapping applications or financial interest should be immediately disqualified in place of redoing the lottery process. This was one of the major hurdles in Broomfield that delayed the lottery process significantly.*
- Proof of tax compliance - The Applicant is in full compliance with the taxation rules and regulations of State and City.
- No Known Egregious Violations and Eligibility – City records and applicant statements shall demonstrate that no ownership interest greater than 10 percent has a record of prior notices of violations, stop work orders, cease and desist orders or repetitive contact by the City's Code Enforcement officers or agencies that resulted in the forfeiture or transfer of ownership of a cannabis business license.
- Applicant must not be prohibited from becoming a licensee for any reason identified by State law or regulation

Financial Viability – Applicant provides a feasible financial plan and demonstrates control of at least \$500,000 in cash and cash equivalents available for deployment to fund business development and operations.

Community Impact and Benefit – Applicant submits a plan that demonstrates meaningful and substantial commitment through financial donation, service, or similar to programs, services and organizations that address Social Determinants of Health as defined by the CDC. These include economic stability, education access and quality, health care access and quality, neighborhood and built environment, and social and community context. Plan must include letters of support from non-profits or community members partnered with the applicant in developing the community plan.

We believe these criteria are essential to meeting Council's goals of an efficient and fair licensing procurements while also ensuring that the utmost integrity is obtained from both applicants and the process.

Samantha Walsh
Tetra Public Affairs



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting March 14, 2022
Date:

Presented Felix Landry, Planning Supervisor
By:

Department: Community Development

Submitted Felix Landry, Planning Supervisor
By:

Information

SUBJECT:

Zoning and Development Code Update – Creating a Code Committee for the Update Process, Discussion

EXECUTIVE SUMMARY:

The City has recently contracted with Clarion Associates to begin a process to update our zoning and development code. This effort will achieve a variety of goals related to the comprehensive plan, affordable housing, and improving our development processes.

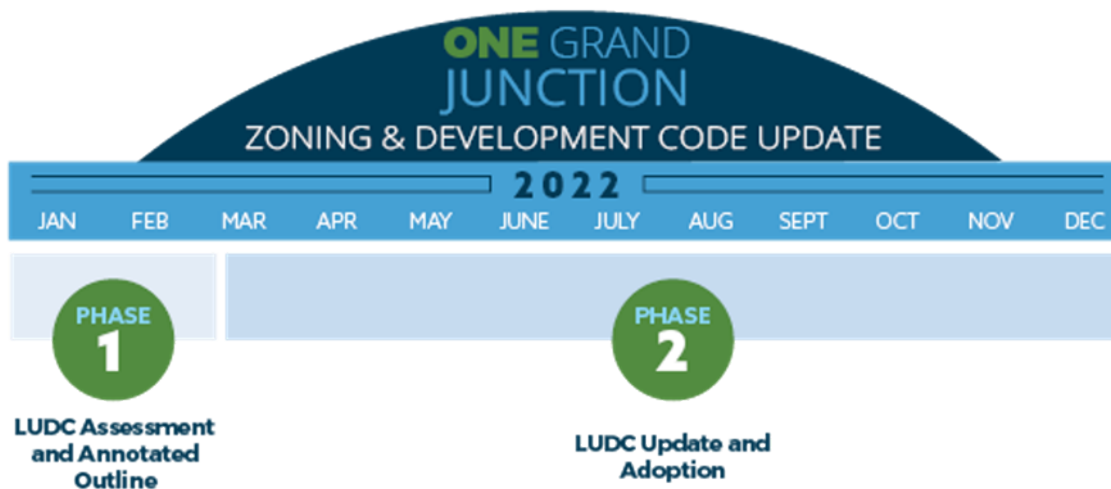
BACKGROUND OR DETAILED INFORMATION:

A city will often undertake an effort to update its development regulations in light of an updated comprehensive plan. This effort will allow us to pursue the following goals:

1. Update the City's regulations to better reflect the goals and policies described in the 2020 One Grand Junction Comprehensive Plan, especially those Key Principles related to Responsible and Managed Growth and Strong Neighborhoods and Housing Choices
2. Achieve a higher level of efficiency, consistency, and simplicity
3. Identify constraints and opportunities for affordable and attainable housing, consistent with those identified in the City's recently adopted Housing Strategies

City staff and Clarion Associates are currently working on a Public Participation Plan to gather input for the citizens, interest groups, stakeholders, and officials. We plan to

begin those efforts in earnest by mid March. The project timeline overall should allow us to complete the drafting of the updated code by the end of the year.



Along with the public participation plan, city staff and Clarion Associates also agree that a Code Committee would help the process by providing guidance and input throughout the update process. The committee will be tasked with providing critical insights regarding the potential changes to the regulations and how best to draft regulations which meet the three stated goals. Clarion Associates has provided the following to describe why they think a good code committee will be important for this process:

"We frequently work with advisory committees as a part of our code update work and have found this approach to be highly effective way to bridge the gap between the information we gather from outreach events and the level of regulatory specificity we need to reach in the drafting process. In contrast to comprehensive planning projects, code updates often involve detailed and technical discussions that are beyond the level of conversation that can realistically take place with the general public. Working with an advisory committee, the consultants and staff can seek input on interim drafts and gain an understanding of the level of community support that exists on major regulatory options before they are rolled out to the broader public. Throughout the project, advisory committee members can also serve as trusted liaisons to keep various groups informed of project progress and to seek detailed input on targeted issues as they arise. And, in most successful projects, the final role of the advisory committee is project champions, helping move the community-drafted updated code through the adoption process and into implementation."

Clarion Associates has recommended a committee of approximately ten to fifteen members comprised of both technical experts who use the code, and members with a working knowledge of the comprehensive plan and a strong community interest. The code committee will meet regularly to review proposed changes and provide feedback in a focused group setting. A balanced committee composition is crucial to getting balanced feedback which considers both the interests and concerns of the development community as well as those of the community at large and goals and policies of the

comprehensive plan. The recommended list of members in the memo can be organized into two groups; those with technical experience and those with a working knowledge of the comprehensive plan:

Comprehensive Plan Knowledge		Technical Knowledge	
Andrew Teske	<i>Plan Commission</i>	Ivan Geer	<i>River City Engineering</i>
Keith Ehlers	<i>Plan Commission</i>	Kevin Bray	<i>Bray Real Estate</i>
Colin St Clair	<i>Recommended by CPAC member Ben Herman</i>	Mark Austin	<i>Austin Civil</i>
Bill Wade	<i>Former Planning Commissioner, Homeward Bound</i>	Mike Foster	<i>Real Estate</i>
Candace Carnahan	<i>Chamber of Commerce</i>	Robert Jones	<i>Vortex Eng</i>
Erin Nix	<i>CPAC</i>	Ron Abeloe	<i>Home Builc</i>
Vara Kusal	<i>Horizon BID</i>	Jane Quimby	<i>La Plata, D</i>
Rebekah Scarrow	<i>GJARA, AMGD</i>	Shelley <u>Dackonish</u>	<i>Land Use A</i>

In addition to the designated Code Committee, this process will provide a wide variety of other opportunities to gather public feedback, including a project website, targeted surveys, polling, newsletters, and email blasts, open Houses and Public Events and various stakeholder meetings. Our current schedule includes a significant three-day stretch of gathering public input during the week of April 4th. That three-day stretch will include stakeholder meetings, individual interviews, and open houses. Consultants from Clarion Associates will conduct those meetings.

Below, you'll see some additional details about what these meetings will look like and the lead up to them:

- At least two weeks before these meetings, the City will launch a project website with information about the project goals, schedule, and how to submit feedback.
- Clarion Associates will work with staff to create surveys and polls regarding the code update to post on the website and send out through email blasts throughout the project.
- The open house meetings will provide an opportunity for the public at large to get updated on what the code is, how it works, how it may impact them, and then to get feedback on potential changes.
- Stakeholder meetings will target interest groups and/or particular topics on interest. For example, one stakeholder group might focus on the local home builders association and local contractor's association, while another may focus on affordable housing.

Individual interviews will focus on folks who have a deep working knowledge of the code and might have extensive input to offer. These folks likely serve on committees or boards concerned specifically with development in Grand Junction, such as the Developer's Roundtable or Planning Commission.

FISCAL IMPACT:

N/A

SUGGESTED ACTION:

This item is for discussion.

Attachments

1. Code Committee 021722

Memorandum

TO: Members of City Council

FROM: Greg Caton, City Manager
Tamra Allen, Community Development Director

DATE: February 17, 2022

SUBJECT: Zoning and Development Code Update Project - Code Committee

The City has begun the process of updating its Zoning and Development Code. This effort will:

1. Update the City's regulations to better reflect the goals and policies described in the 2020 One Grand Junction Comprehensive Plan, especially those Key Principles related to Responsible and Managed Growth and Strong Neighborhoods and Housing Choices.
2. Achieve a higher level of efficiency, consistency, and simplicity.
3. Identify constraints and opportunities for affordable and attainable housing, consistent with those identified in the City's recently adopted Housing Strategies

Code Committee – The City has hired Clarion Associates, a Colorado land use and consulting firm to lead this update alongside of staff. Clarion and staff both recommend forming a committee to assist in the process. This committee will help provide guidance and input throughout the update process by supplying critical insight into how the regulations and potential changes should be revised (or maintained) to progress the City toward its principles and goals as articulated in the Comprehensive Plan.

Committee members should have relevant technical expertise, a working knowledge of the Comprehensive Plan, and/or demonstrate a broad community interest. Ideally, the committee is comprised of between 12 and 16 members. Staff has compiled a list of candidates for City Council to consider. The list is comprised of people that either utilize the code in their daily professional work, are leaders in a development-related or housing organization, participated heavily in the Comprehensive Plan process and/or are the Planning Commissions designated representatives. This list represents a variety of interests and professional backgrounds who can provide relevant and diverse perspectives throughout the process:

No.	Name	Background/Profession	Member of Comprehensive Plan Advisory Committee
1.	Andrew Teske	Planning Commission Chair	
2.	Colin St Clair	Real Estate Agent, Neighborhood Advocate	
3.	Bill Wade	Former Planning Commissioner, Homeward Bound	
4.	Candace Carnahan	Grand Junction Chamber of Commerce	X
5.	Erin Nix	Director of Educational Testing & Accom. at CMU	X
6.	Ivan Geer	River City Engineering, Professional Engineer	X
7.	Keith Ehlers	Planning Commission, Consultant	X

8.	Kevin Bray	Bray Real Estate, Developer	
9.	Mark Austin	Austin Civil Group, Professional Engineer	
10.	Mike Foster	Coldwell Banker, Commercial Broker	X
11.	Robert Jones	Vortex Engineering, Professional Engineer	
12.	Shelley Dackonish	Dufford Waldeck Law, Land Use Attorney	
13.	Vara Kusal	Horizon Drive BID Executive Director	X
14.	Ron Abeloe	Chaparral West/Bella Partners, HBA, AMGD, WCCA	
15.	Rebekah Scarrow	Re/Max 4000, GJARA, AMGD	
16.	Jane Quimby	La Plata Communities, Colorado West Land Trust	

Project Overview – The project will occur in two phases. The first phase will include an assessment of the Code and will result in an annotated outline of the code revisions. The second phase will include the actual drafting of the code revisions in three different modules including the 1) Zone Districts and Uses, 2) Development Standards, and 3) Administration and Procedures.

In addition to the designated Code Committee this process will provide a wide variety of other opportunities to gather public feedback, including a project website, targeted surveys, polling, newsletters, and email blasts, open Houses and Public Events and various stakeholder meetings. Stakeholder meetings are a critical part of the feedback gathering process and will generally consist of individual or small group interviews with elected/appointed officials, civic organizations, local trade organizations, developers, neighborhood groups, and others. These interviews and meetings will focus on gathering insights into the strengths and weaknesses of the existing Code and how to amend the Code to better implement the 2020 One Grand Junction Comprehensive Plan

Please review this list of Code Committee members. Should you have concern or comments regarding this list of potential Code Committee members, please contact the City Manager by February 28th.

C: Department Directors