ORDINANCE NO. 25 -____

AN ORDINANCE AMENDING ARTICLE 2 (MARIJUANA) OF CHAPTER 2 (BUSINESS LICENSING, LIQUOR REGULATION AND TAXATION) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO MARIJUANA LICENSING

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The Title of Part 1 (Medical Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

Part 1 Medical Marijuana License Code

Section 2. Section 101 (Legislative Declaration) of Part 1 (Medical Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.101: LEGISLATIVE DECLARATION:

A.—The City Council hereby declares it to be in the interest of the health, safety and welfare of the citizens of the City, and a proper exercise of the police power, to require the licensing of persons and businesses providing medical marijuana related services. The provisions of this part are to be consistent with and applied in accord with Colorado Revised Statutes section 44-10-101 et seq., the Colorado Marijuana Code ("State Code"). Nothing in this part is intended to conflict with or violate any other City or State law or regulation related to the medical use of marijuana.

B. It is the intent of this part to prohibit the operation of all retail marijuana establishments within the City of Colorado Springs, and in furtherance of this intent, the Colorado Springs City Council makes the following findings:

- 1. Article XVIII, section 16 of the Colorado Constitution specifically authorizes a municipality "to prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, retail marijuana stores, or retail marijuana establishments through the enactment of an ordinance".
- 2. Based on careful consideration of article XVIII, section 16 of the Colorado Constitution, and the potential secondary effects of the cultivation and dispensing of marijuana for recreational use, and the retail sale, distribution and manufacturing of marijuana for recreational use or marijuana infused products, City Council finds and determines that these operations have an adverse impact on the health, safety and welfare of the City of Colorado Springs and its inhabitants.
- 3. Nothing in this part is meant to inhibit any individual's right to personal use of marijuana pursuant to article XVIII, section 16(3) of the Colorado Constitution.
- 4. Nothing in this part is meant to inhibit or prohibit the operation of any medical marijuana facility licensed pursuant to this part.

Section 3. Section 102 (Definitions) of Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.102: DEFINITIONS:

CUMULATIVE CAP ON LICENSED MEDICAL—MARIJUANA LOCATIONS: A maximum number of approximately two hundred twelve (212) one hundred twenty five (125) distinct locations in the City where one or any combination of the following may be licensed in the same premises location: medical marijuana centerstore, medical marijuana optional premises—cultivation facility, and—medical marijuana infused—product manufacturer facility, retail marijuana store, retail marijuana cultivation facility, and retail marijuana product manufacturer facility; such exact number as determined by the local licensing authority by calculating the total number of locations in the City where a licensed premises existed for a medical marijuana centerstore, medical marijuana optional premises—cultivation facility, and medical marijuana infused—product manufacturer facility, retail marijuana store, retail marijuana cultivation facility, and retail marijuana product manufacturer facility or any combination of these as of May 25, 2017 February

10, 2025. The local licensing authority's calculation of the cap shall be considered dispositive and shall not be subject to appeal.

GOOD CAUSE: For purposes of refusing or denying a license renewal, reinstatement, or initial license issuance, this term means:

* * *

LICENSE TYPE: The class of medical marijuana and retail marijuana license pertaining to the activity the license regulates such as sale, cultivation, manufacture, or testing, as provided by Colorado Revised Statutes section 44-10-401(2)(a) and (b).

LICENSED PREMISES: The premises specified in an application for a business license under the State Code or this part, which are owned or in possession of the licensee and within which the licensee is authorized to cultivate, manufacture, distribute, or sell medical regulated marijuana in accord with the provisions of the State Code or this part.

* * *

MARIJUANA CULTIVATION FACILITY: Any real property used for or upon which there is any type of structure or any such facility that includes or is associated with cultivating, preparing, or packaging **regulated** marijuana for sale to retail marijuana stores, to marijuana products manufacturing facilitiesers, and to other marijuana cultivation facilitiesoperations, but not to consumers.

MARIJUANA PRODUCT: Concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

MARIJUANA PRODUCT MANUFACTURING FACILITY: Any real property used for or upon which there is any type of structure or any such facility that includes or is associated with manufacturing, preparing, or packaging **regulated** marijuana products.

MARIJUANA TESTING FACILITY: Any real property used for or upon which there is any type of structure or any such facility that includes or is associated with analyzing and certifying the safety and potency of **regulated** marijuana.

MEDICAL MARIJUANA CENTERSTORE: A person licensed pursuant to the State Code and this part to operate a business as described in Colorado Revised Statutes section 44-10-501 that sells medical marijuana to registered patients or primary caregivers as defined in Colorado Constitution article XVIII, section 14, but is not a primary caregiver. A medical marijuana centerstore is also known as a medical marijuana storecenter or dispensary.

MEDICAL MARIJUANA ESTABLISHMENT: A licensed medical marijuana center, a medical marijuana infused products manufacturer, a medical marijuana optional premises cultivation operation, or a medical marijuana testing facility.

MEDICAL MARIJUANA INFUSED-PRODUCT: A product infused with medical marijuana that is Concentrated medical marijuana products and medical marijuana products that are comprised of medical marijuana and other ingredients that are intended for use or consumption other than by smoking, including such as, but not limited to, edible products, ointments, and tinctures. These products, when manufactured or sold by a licensed medical marijuana centerstore or a medical marijuana infused products manufacturer, shall not be considered a food or drug for the purposes of the Colorado Food and Drug Act.

MEDICAL MARIJUANA INFUSED-PRODUCTS MANUFACTURER: A person licensed pursuant to the State Code and this part to operate a business as described in Colorado Revised Statutes section 44-10-503.

MEDICAL MARIJUANA OPTIONAL PREMISES: The premises specified in an application for a medical marijuana center license with related growing facilities in Colorado for which the licensee is authorized to grow and cultivate marijuana for a purpose authorized by Colorado Constitution article XVIII, section 14.

MEDICAL MARIJUANA OPTIONAL PREMISES-CULTIVATION OPERATION: A person licensed pursuant to the State Code and this part to operate a business as described in Colorado Revised Statutes section 44-10-502.

MEDICAL MARIJUANA TESTING FACILITY: A public or private laboratory licensed and certified to conduct research and analyze medical marijuana, medical marijuana infused products, and medical marijuana concentrate for contaminants and potency as described in Colorado Revised Statutes section 44-10-504.

* * *

REGULATED MARIJUANA: Medical marijuana and retail marijuana. If the context requires, regulated marijuana includes medical marijuana concentrate,

medical marijuana products, retail marijuana concentrate, and retail marijuana products.

REGULATED MARIJUANA PRODUCTS: Medical marijuana products and retail marijuana products.

RETAIL MARIJUANA: Marijuana that is grown, sold, or used pursuant to the provisions of the State Code and for a purpose authorized by Colorado Constitution article XVIII, section 16.

RETAIL MARIJUANA ESTABLISHMENT: A marijuana cultivation facility, a marijuana product manufacturing facility, a marijuana testing facility, or a retail marijuana store.

RETAIL MARIJUANA CULTIVATION OPERATION: A person licensed pursuant to the State Code and this part to operate a business as described in Colorado Revised Statutes section 44-10-602.

RETAIL MARIJUANA PRODUCT: Concentrated retail marijuana products and retail marijuana products that are comprised of retail marijuana and other ingredients that are intended for use or consumption, such as, but not limited to edible products, ointments and tinctures. These products, when manufactured or sold by a licensed retail marijuana store or a retail marijuana product manufacturer, shall not be considered a food or drug for the purposes of the Colorado Food and Drug Act.

RETAIL MARIJUANA PRODUCT MANUFACTURER: A person licensed pursuant to the State Code and this part to operate a business as described in Colorado Revised Statutes section 44-10-603.

RETAIL MARIJUANA STORE: Any real property used for or upon which there is any type of structure or any such facility that includes or is associated with the sale of marijuana or marijuana products to consumers. A person licensed pursuant to State Code and this part to operate a business as described in Colorado Revised States section 44-10-601 that sells retail marijuana to consumers as defined in Colorado Constitution article XVIII. section 16.

RETAIL MARIJUANA TESTING FACILITY: A public or private laboratory licensed and certified to conduct research and analyze retail marijuana, retail marijuana products, and retail marijuana concentrate for contaminants and potency as described in Colorado Revised Statutes section 44-10-604.

Section 4. Section 103 (Local Licensing Authority; Delegation of Duties) of Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.103: LOCAL LICENSING AUTHORITY; DELEGATION OF DUTIES:

- A. General: The Local Licensing Authority of the City for medicalregulated marijuana business licenses as authorized by the State Code, the rules and regulations of the State licensing authority, this Code and local rules and regulations, shall possess all powers given to Local Licensing Authorities by the provisions of State statutes, City Code and State and local rules and regulations.
- B. Rules And Regulations: The Local Licensing Authority shall have the authority to promulgate rules and regulations, including those governing the processing of license applications, the administration of licenses and the conduct of hearings on medicalregulated marijuana business licensing matters.
- C. Grant Or Denial Of License Application: The Local Licensing Authority is responsible for review and grant, denial, and conditioning of grants of applications for medical regulated marijuana businesses.
- D. Appeals: The decision of the Local Licensing Authority may be appealed to a hearing officer in accord with article 1, part 8 of this chapter and the medical marijuana licensing rules and procedures. Failure to appeal in accord with this section shall be deemed a waiver of the right to appeal pursuant to CRCP 106 by virtue of a failure to exhaust administrative remedies.

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Section 5. Section 104 (License Required) of Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.104: LICENSE REQUIRED:

A. It shall be unlawful for any person to engage in the business of selling, growing, distributing, processing, infusing, storing, delivering, or testing any medical marijuana within the City without valid City and State licenses or applicable permits as required by law.

- C. All applications and fees for City and State licenses shall be filed with the Local Licensing Authority on forms to be approved by the Local Licensing Authority, together with applicable fees and other information and documents as may be required by the City's medical marijuana licensing rules and regulations. All medicalregulated marijuana business licensing records shall be maintained by the Local Licensing Authority.
- D. Effective May 25, 2017, the Local Licensing Authority shall not receive or act upon any application for a new medical marijuana center-store license.
- E. Effective May 25, 2017, the Local Licensing Authority shall not receive or act upon any application for a new medical marijuana optional premises cultivation or medical marijuana infused product manufacturer license unless the new license is to be collocated with an existing licensed medical marijuana establishmentbusiness location with one hundred percent (100%) common ownership and pursuant to the cumulative cap on licensed medical marijuana locations.
- F. Effective May 25, 2017 for medical marijuana licenses, and effective February 10, 2024 for retail marijuana licenses, the Local Licensing Authority shall not receive or act upon any application for a change of location of any medical marijuana centerstore, medical-marijuana optional premises—cultivation facility, or medical-marijuana infused-product manufacturer license unless:
 - 1. All other medicalregulated marijuana establishmentbusiness licenses at the prior location also change location to the same new location; or
 - 2. The medicalregulated marijuana establishmentbusiness license change of location is proposed to be to a location where other medicalregulated marijuana establishmentbusiness license(s) currently exist that is one hundred percent (100%) commonly owned by the licensee; or
 - 3. All other medicalregulated marijuana establishmentbusiness licenses at the prior location are surrendered.

- G. If licenses for a medical-marijuana location are surrendered, revoked, or denied renewal, the cumulative cap on licensed medical-marijuana locations shall be reduced accordingly. Any active, valid license may be transferred to another person meeting all of the requirements for licensure.
- H. Medical marijuana testing facility licenses shall be capped at one licensed location for every one hundred (100) licensed medical marijuana locations that are subject to the cumulative cap on licensed medical marijuana locations set forth in section 2.2.102 of this part.
- I. Effective February 10, 2025, the Local Licensing Authority shall deny any initial license application for the operation of a retail marijuana business if such business is to be located within one thousand (1,000) feet from an operating public or private daycare facility, including but not limited to child daycare centers, child care facilities, and home child daycares, elementary or secondary school, and drug or alcohol treatment facility. This minimum distance shall be measured from the nearest portion of the building used for the retail marijuana business to the nearest property line of daycare, school or drug or alcohol treatment facility using a route of direct pedestrian access.

Section 6. Section 105 (Fees; Terms; Renewal) of Part 1 (Medical Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.105: FEES; TERMS; RENEWAL:

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- B. All medical-marijuana licenses shall expire one year from the date of issue.
- C. A medical—marijuana licensee shall apply for the renewal of an existing license not less than forty-five (45) days prior to the expiration date. If a licensee submits a timely and sufficient renewal application, the licensee may continue to operate until the application is finally acted upon by the Local Licensing Authority.
- D. As a condition of renewal, a marijuana licensee must possess a sales tax license in good standing.

Section 7. Section 107 (Application Investigation; Decision) of Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.107: APPLICATION INVESTIGATION; DECISION:

A. For the Local Licensing Authority to grant a medical marijuana business license, the applicant must comply with all applicable State and local laws, ordinances, rules and regulations, and must meet the following qualifications:

* * *

2. The applicant must have a sales tax license in good standing;

* * *

- 5. The medical marijuana centerstore or retail marijuana store license applicant must be in possession of a storefront from which the business will be operated.
- B. In addition to the grounds set forth in this chapter and applicable State or local law, rules or regulations, the Local Licensing Authority may deny any medical-marijuana license if:

* * *

4. Was a licensed medicalregulated marijuana establishmentbusiness and the license was revoked, unless the Local Licensing Authority determines that the licensee was not responsible for the misconduct underlying the revocation;

- C. Effective February 10, 2025, an existing licensed medical marijuana business in good standing may apply for a retail marijuana business license of the same license type permitting the licensed medical marijuana business to:
 - 1. Surrender its medical marijuana business license and operate as a licensed retail marijuana business only; or

- 2. Co-locate its operations as a medical marijuana business and a retail marijuana business within the same licensed premises. Any licensed medical marijuana business that is also licensed as a retail marijuana business to operate within the same licensed premises will count as one (1) licensed location for purposes of the cumulative cap on licensed marijuana locations.
- D. For the purposes of this section, the term "good standing" means a licensee that:
 - 1. Maintains an active license that has not expired;
 - 2. Has not been found, in a final agency action, to be in violation of City Code or State Code, or any rules and regulations promulgated pursuant thereto, in the three hundred sixty five (365) day period before applying for a retail marijuana business license;
 - 3. Has no current pending disciplinary actions or suspensions by the Local or State Licensing Authorities;
 - 4. Has paid all fines and fees owed and submitted all required documentation to the Local or State Licensing Authorities;
 - 5. Has not been found to be currently delinquent in the payment of any local or state taxes or inspection invoices related to a business; and
 - 6. Meets all other requirements of City Code.
- **E.** Failure of the applicant to provide proof of State Marijuana Enforcement Division acceptance of the application within one (1) year from the date of City application may cause the application to be deemed withdrawn. If the applicant does not receive State jurisdictional approval within one year of the date of Local Licensing Authority approval, the City license application expires and may not be renewed. If an application is denied by the State Licensing Authority, the Local Licensing Authority shall revoke the City issued approval or license.
- **ĐF.** Any applicant aggrieved by the decision of the Local Licensing Authority may appeal the decision to deny or condition a license to the Hearing Officer in accord with the Local Licensing Authority's rules and regulations.
 - Section 8. Section 108 (Suspension or Revocation; Hearings; Decision) of
- Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2

(Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.108: SUSPENSION OR REVOATION; HEARINGS; DECISION:

* * *

C. Hearing procedures are to be in accord with the procedures contained in this section and article 1, part 8 of this chapter, as supplemented by State and local medical-marijuana business licensing rules and regulations. The following procedures apply to suspension or revocation proceedings initiated against medical-marijuana business licensees:

* * *

2. The order to show cause and notice of hearing shall be served by mail **and email** to the licensee at the address contained on the application or license, or by personal service.

* * *

Section 9. Section 109 (Unlawful Acts) of Part 1 (Medical Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.2.109: UNLAWFUL ACTS:

* * *

1. Fail to comply with provisions of 1 CCR 212-3 et seq., and the Medical Marijuana Rules and Regulations for the City of Colorado Springs.

* * *

5. Consume or permit the consumption of medical-marijuana in a licensed premises.

- 10. Use advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors, or **for medical marijuana any advertising** that is inconsistent with the medicinal use of medical marijuana.
- 11. As a medical marijuana center licensee, fFail to maintain lawful possession of a storefrontthe premises from which the business is operated.
- 12. Operate a retail marijuana establishment within the City of Colorado Springs. As a medical marijuana or retail marijuana store licensee, fail to maintain possession of a storefront from which the business is operated.
- 13. Sell, serve, or distribute any medical marijuana, or medical marijuana infused productregulated marijuana at any time other than between the hours of eight o'clock (8:00) A.M. and nine o'clock (9:00) P.M., Monday through Sunday.
- 14. Initiate the transport of any medical marijuana, or medical marijuana infused productregulated marijuana to another licensed facility at any time other than between the hours of seven o'clock (7:00) A.M. and ten o'clock (10:00) P.M., Monday through Sunday.

- 16. Fail to disclose or apply for changes to hazardous or nonhazardous extraction processes for medicalregulated marijuana infused product (MIP) licensed activities, as defined in Zoning Code, Fire Code, and the Medical Marijuana Rules and Regulations for the City of Colorado Springs.
- 17. Sell, transfer, or possess any products other than medical marijuana, medical marijuana infused productsregulated marijuana, consumable industrial hemp products in compliance with Colorado Revised Statutes sections 44-10-501(3)(e) and 44-10-601(7)(a), or non-consumable cannabis related products and accessories.
- 18. Sell or distribute any nicotine products or alcohol products, or medical marijuana, or medical marijuana infused products regulated marijuana that contain any nicotine or alcohol.
- 19. Sell medical marijuana or medical marijuana infused productsregulated marijuana over the internet or deliver medical marijuana or medical marijuana infused productsregulated marijuana to a person not physically present inside the medical marijuana centerstore's

licensed premises. Nothing in this section is meant to inhibit or prohibit the lawful sales and transportation of medical marijuana or medical marijuana infused products regulated marijuana to other medical marijuana facilities licensed pursuant to State law.

- 20. Display, cultivate, sell, or transport any medical marijuana, or medical marijuana infused products regulated marijuana in a manner that is visible to the public.
- 21. Cultivate any medicalregulated marijuana not in an enclosed building or without adequate ventilation and filtration system that ensures odors from the cultivation activities are not detectible by a person with a typical sense of smell from any adjoining lot, parcel, tract, public right-ofway, building unit or residential unit.

* * *

- 24. Fail to submit application for renewal of a City issued medical marijuana license not less than forty-five (45) days prior to the date of expiration. A licensee who files a late City medical marijuana license renewal application within forty-five (45) days prior to the date of expiration with the requisite fees and a non-refundable late application fee may continue to operate until the Local Licensing Authority has taken final action to approve or deny the licensee's late renewal application. No application for renewal of a medical marijuana license shall be accepted after the date of expiration.
- 25. Sell, give, or otherwise transfer retail marijuana or retail marijuana products to any person under twenty-one (21) years of age, or fail to use electronic identification verification devices to confirm that the consumer is at least 21 years of age.

- C. A violation of any provision set forth in subsection A of this section, or cultivation, possession or sale of medicalregulated marijuana by an applicant who has not been granted a license, or by a licensee after suspension or revocation of a license may result in criminal prosecution by the appropriate authorities.
- D. It shall be unlawful for any person to operate a retail marijuana establishment within the City of Colorado Springs.

Section 10. Part 2 (Marijuana Consumption Clubs) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is repealed and reserved.

Section 11. Any person convicted of violating Section 104 (License Required) and Section 109 (Unlawful Acts) of Part 1 (Medical-Marijuana License Code) of Article 2 (Marijuana) of Chapter 2 (Business Licensing, Liquor Regulation And Taxation) shall be subject to the penalties and remedies, as applicable, as provided in Sections 201 (General Penalty) and 202 (Minor Offenders) of Part 2 (General Penalty) of Article 1 (Administration) of Chapter 1 (Administration, Personnel, and Finance) of the Code of City of Colorado Springs, 2001, as amended.

Section 12. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter. However, in the event Ballot Question 300 approved at the November 5, 2024 election and the associated initiated ordinance allowing limited retail marijuana business within the City limits is repealed through a subsequent vote of the electorate at the Spring 2025 election, this ordinance shall be repealed in its entirety as of the date of said 2025 vote.

Section 13. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on fi	rst reading and ordered published this
day of	_, 2024.
Finally passed:	
	Randy Helms, Council President

Mayor's Action:		
	Approved on	
	Disapproved on	, based on the following objections
		Blessing A. Mobolade, Mayor
Cou	uncil Action After Disapproval:	
	Council did not act to override the Mayor's veto.	
	Finally adopted on a vote of	, on
	Council action on	failed to override the Mayor's veto.
ATTE	EST:	Randy Helms, Council President
Sarc	ah B. Johnson, City Clerk	