

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

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

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

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

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

68 Accordingly, City Council has determined that certain regulated cannabis businesses,
69 subject to regulations to be adopted by the City, may operate within the City. City Council
70 has acted to begin to amend the Grand Junction Municipal Code to provide rules and
71 regulations for licensing and operating regulated cannabis businesses.

72 City staff and community members, including the Cannabis Working Group, have
73 researched, reviewed, and discussed various approaches to taxation, permitting and
74 regulation of cannabis. Regulations for cannabis uses have been established at the state
75 level with the adoption and implementation of the Colorado Marijuana Code (C.R.S. 44-
76 10-101, *et. seq.*); however, regulation of cannabis uses at the state level alone are not
77 adequate to address the impacts of cannabis on the City.

78 In the interest of the public health, safety and welfare the City intends to regulate zoning
79 and other impacts of cannabis businesses in a manner that is consistent with
80 constitutional and statutory standards. The City desires to facilitate the provision of quality
81 regulated cannabis in a safe manner while protecting existing uses within the City.
82 Regulation of the manner of operation and location of regulated cannabis businesses will
83 further the health, safety, and welfare of both the public and the customers. Protection of
84 the public health and safety will occur through reasonable limitations on business
85 operations as they relate to air quality, neighborhood, integrations, security for the
86 business and its personnel, and other concerns. Limiting the concentration of any type of
87 business in specific areas will promote high-quality neighborhoods.

88 Sale of cannabis may impact health, safety, and community resources, and the proposed
89 ordinance is intended to allow certain regulated cannabis businesses such that those
90 businesses will have as minimal an impact and reduce potential negative impacts as
91 reasonably is possible.

92 This ordinance amends the City's Code to include time, place, and manner restrictions
93 for operating regulated cannabis businesses in the City while protecting the public health
94 and safety through reasonable limitations on business operations. Regulated cannabis
95 businesses may include regulated and/or co-located medical cannabis businesses.
96 Furthermore, this ordinance proposes the imposition of application and/or operating fees
97 to defray some of the City's costs of licensing regulated cannabis businesses.

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

99 1,000 feet from any private or public elementary, middle, junior high, Colorado
100 Mesa University and Western Colorado Community College; and

101 500 feet from all public parks or undeveloped park lands as provided by the Parks,
102 Recreation and Open Space Master Plan; and

103 500 feet from any services for prevention, treatment or recovery from substance
104 use and mental health concerns, as licensed by the Colorado Department of
105 Human Services, Office of Behavioral Health (OBH).

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

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

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

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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.

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 affords municipalities the option to determine whether to license certain regulated cannabis establishments within their respective jurisdictions. 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 home rule authority to adopt and enforce ordinances under its police power all in order to preserve the public health, safety and general welfare. By adopting this Chapter, the intent is 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.

155 Further, the purposes of this Chapter are to:
156

- 157 (1) provide time, place, and manner restrictions for operating a regulated
158 cannabis business in the City;
- 159
- 160 (2) protect public health and safety through reasonable limitations on business
161 operations as they relate to noise, air quality, security for the business and
162 its personnel, and other health and safety concerns;
- 163
- 164 (3) promote high quality neighborhoods by limiting the concentration of
165 regulated cannabis businesses in specific areas;
- 166
- 167 (4) impose fees to defray some of the costs to the City of licensing regulated
168 cannabis businesses;
- 169
- 170 (5) adopt a mechanism for monitoring compliance with the provisions of this
171 Chapter;
- 172
- 173 (6) create regulations that address the particular needs of the residents, the
174 businesses, and the City and coordinate with laws enacted by the State of
175 Colorado regarding cannabis; and,
- 176
- 177 (7) issue regulated cannabis business licenses only to Applicants that
178 demonstrate the intent and capability to comply with the law.
179

180 This Chapter is to be construed to protect the interests of the public over the
181 interests of the regulated cannabis businesses. Operation of a regulated cannabis
182 business is a revocable privilege and not a right in the City. There is no property
183 right for any person and/or business to have a regulated cannabis license in the
184 City.
185

186 Nothing in this Chapter is intended to promote or condone the production,
187 distribution, or possession of cannabis in violation of any applicable law.
188

189 **5.13.011 Applicability.**
190

- 191 (a) This Chapter is known and may be cited as the “City of Grand Junction
192 Regulated Cannabis Code” or “Code.” Reference to the City of Grand
193 Junction Regulated Cannabis Code, Code or Chapter and the applicable
194 section(s) thereof shall be sufficient when citing the provisions of this
195 hereof in any legal document, including but not limited to, summons,
196 subpoena, pleading, summons and compliant, and memorandum.
197

198 (b) This Chapter, together with all other titles and chapters of the Grand
199 Junction Municipal Code (hereinafter referred to as "GJMC"), shall govern
200 all applications submitted for licensing of any regulated cannabis business
201 in the City on and after the effective date.
202

203 **5.13.012 Applicability of state laws and other laws.**
204

205 (a) Except as otherwise specifically provided herein, this Chapter incorporates
206 and adopts the requirements and procedures set forth in the Colorado
207 Marijuana Code and the provisions of the Colorado Rules and Regulations
208 promulgated thereunder, as amended, relating to the definition of terms,
209 licensing, sales, hours of sale, records, inspection, unlawful acts, and all
210 other matters pertaining to regulated cannabis, as set out in full therein and
211 herein. In the event of any conflict between the provisions of this Chapter
212 and the provisions of the Colorado Marijuana Code or any other applicable
213 state or local law, the more restrictive provision shall control. Licensees
214 shall comply with and conduct their business in compliance with all
215 applicable state and local laws, rules and regulations, and the terms and
216 conditions of their license. Noncompliance with any applicable state or
217 local laws, rules or regulations shall be grounds for revocation or
218 suspension of any license issued hereunder and/or imposition of fines and
219 other allowable sanctions.
220

221 (b) Compliance with any applicable state law or regulation shall be deemed
222 additional requirements for issuance of any license and conduct of any
223 business under this Chapter, and noncompliance with any applicable law
224 or regulation shall be grounds for revocation or suspension of any license
225 issued hereunder and/or imposition of fines and other allowable sanctions.
226

227 (c) If the state prohibits the sale or other distribution of cannabis through
228 regulated businesses, any license issued hereunder shall be deemed
229 immediately revoked by operation of law.
230

231 **5.13.013 Definitions.**
232

233 The definitions set forth in Article XVIII, Subsections 14(2) and 16(2) of the
234 Colorado Constitution, as well as the definitions provided by the Colorado
235 Marijuana Code, the Colorado Code of Regulations, and the Department of
236 Revenue Regulated Marijuana Enforcement Division Rules and regulations as
237 amended, are adopted herein unless by reference specifically amended hereby.
238

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

242
243 **“Affiliated entity” or “affiliate” means a person as defined herein, having ownership**
244 **or any level of control in common with an entity, in whole or in part, including**
245 **without limitation, an entity’s parent corporation, franchisor, licensor and any**
246 **subsidiary(ies) or affiliates or such corporation(s). Affiliate also means a person**
247 **using the same trade name as another person.**

248
249 **“Appealing to minors” means any display on the internet, by audio, in print on a**
250 **sign, or similar presentation visible to individuals under 21 years of age that**
251 **contains visual or audio or print depictions of cartoon characters, caricatures,**
252 **consumable products, individuals that seem under 21 years of age or engaging in**
253 **activities not typical of adults. Visual, audio or print depictions of animals may be**
254 **allowed so long as they do not violate other restrictions in the GJMC.**

255
256 **“Application fee” shall mean the fee paid to the City by each Applicant at the time**
257 **of submitting an application to the City.**

258
259 **“Applicant” shall mean any person or entity who has applied for a license or**
260 **renewal of a license issued pursuant to this Chapter. If the Applicant is an entity**
261 **and not a natural person, Applicant shall include all persons who are the members,**
262 **managers, officers, directors, and shareholders of such entity.**

263
264 **“Cannabis”, also known as marijuana, shall have the same meaning as the term**
265 **“usable form of marijuana” as set forth in Article XVIII, Section 16(2)(f) of the**
266 **Colorado Constitution or as may be more fully defined in any applicable State law**
267 **or regulation. “Marijuana” may alternatively be spelled “marihuana”.**

268
269 **“Cannabis business” shall means regulated cannabis business as defined in this**
270 **Chapter.**

271
272 **“Cannabis operator” means a medical cannabis business operator or a retail**
273 **cannabis business operator.**

274
275 **“Cannabis paraphernalia” or “paraphernalia” shall mean devices, contrivances,**
276 **instruments and paraphernalia for inhaling or otherwise consuming regulated**
277 **cannabis, including, but not limited to, rolling papers, related tools, water pipes**
278 **and vaporizers.**

279
280 **“Cannabis product” means “medical cannabis product” or “regulated cannabis**
281 **product”.**

282
283 **“Cannabis product manufacturer” means a medical cannabis products**
284 **manufacturer or a retail cannabis products manufacturer.**
285
286 **“Cannabis testing facility” means a medical cannabis testing facility or a retail**
287 **cannabis testing facility.**
288
289 **“City Attorney” means the City Attorney or the City Attorney’s designee.**
290
291 **“City Manager” means the City Manager or the City Manager’s designee.**
292
293 **“Colorado Medical Marijuana Code” shall mean Title 44, Article 11, C.R.S. and any**
294 **rules or regulations promulgated thereunder.**
295
296 **“Colorado Marijuana Code” shall mean Title 44, Article 10, C.R.S. and any rules or**
297 **regulations promulgated thereunder.**
298
299 **“Company material” means any information printed or transmitted electronically**
300 **that includes the name and logo of a particular cannabis business(es) and**
301 **promotes the business or describes cannabis or cannabis product distributed by**
302 **the business(es). Company material may include promotion of the business to**
303 **potential employees over the age of 21, or investors, or instructions for use of**
304 **any cannabis or cannabis products distributed by the business(es).**
305
306 **“Coupon” means a printed voucher or token entitling the holder to a discount for**
307 **a particular product or service. Coupon does not include showing a government-**
308 **issued verification of age or military status, or registration for a charitable event,**
309 **or similar item the showing of which, without providing a separate printing to the**
310 **business, entitles the holder to a discount for a particular product or service.**
311
312 **“Distribution” or “distribute” means the actual, constructive, or attempted transfer,**
313 **delivery, sale, or dispensing to another, with or without remuneration.**
314
315 **“Educational material” means materials prepared by a governmental or non-profit**
316 **entity that are designed to provide information, facts, instructions, and warnings**
317 **related to the legal use or consumption of cannabis and cannabis products.**
318 **Educational materials do not include arguments for or against the legalization of**
319 **cannabis or encourage the use of cannabis or advertisements, including the name**
320 **and logo for any cannabis business.**
321
322 **“Entity” means a domestic or foreign corporation, cooperative, general**
323 **partnership, limited liability partnership, limited liability company, limited**
324 **partnership, limited liability limited partnership, limited partnership association,**

325 nonprofit association, nonprofit corporation or any other organization or
326 association that if formed under a statute or common law of the state of Colorado
327 or any other jurisdiction as to which the laws of Colorado or the laws of any other
328 jurisdiction govern(s) relations among owners and between the owners and the
329 organization or association and that is recognized under the laws of the state of
330 Colorado or the other jurisdiction as a separate legal entity.

331
332 “Fermented malt beverage” shall mean the same as referenced in Chapter 5.04.010
333 of the GJMC.

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

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

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

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

368 and conditions of a license issued pursuant to this Chapter, a
369 continuing pattern of unlawful or violent activity occurring in the
370 location and in association with the operation of the business; or

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

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

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

410 distribution, transportation, testing, research, or consumption of any
411 form of cannabis, drug or controlled substance.

412
413 **“Handbill”, “leaflet” or “flyer” means a flat or folded sheet of printed material that**
414 **is a notice, advertisement, or announcement, usually for distribution by hand, for**
415 **free, either directly to an individual or by placement on vehicles or other locations.**
416 **Handbill, leaflet, or flyer does not include educational materials without the name**
417 **or logo of a cannabis business, or information made available within the licensed**
418 **premises of a cannabis business.**

419
420 **“Immature plant” means a nonflowering cannabis plant that is not required by the**
421 **Colorado Marijuana Enforcement Division to have a RFID tag. In no event shall a**
422 **plant be considered an immature plant if it is taller than eight inches and wider than**
423 **eight inches.**

424
425 **“In-charge employee” means the individual designated by the owner of the**
426 **cannabis business as the person responsible for all operations of the business in**
427 **the absence of the owner from the licensed premises. In-charge employees shall**
428 **have access to lock and unlock doors, lock and unlock safes, arm and disarm the**
429 **alarm, have access to the video surveillance equipment and who can operate and**
430 **access past footage and produce still color photographs from the on-site, as well**
431 **as the off-site video surveillance equipment upon request.**

432
433 **“Incidental to sponsorship of charitable events” means the printing of the names**
434 **of all sponsors of a particular charitable event by the event organizer on**
435 **advertisements, banners, clothing, programs, or similar items. Incidental to**
436 **sponsorship of charitable events does not include the placement of a booth(s) or**
437 **distribution of material(s) that does not list or is for the use of all sponsors of the**
438 **event.**

439
440 **“License” shall mean to grant a revocable privilege to lawfully operate in the City**
441 **a cannabis related business activity authorized pursuant to the Colorado Marijuana**
442 **Code and this Chapter.**

443
444 **“License fee” shall mean that fee set and established by Resolution of City Council**
445 **and paid annually to the City by each Licensee.**

446
447 **“Licensed premises” means the premises specified in an application for a license**
448 **or permit authorized pursuant to the Colorado Marijuana Code and this Chapter,**
449 **which are owned or in the legal possession of the Licensee and within which the**
450 **Licensee is authorized to cultivate, manufacture, distribute, research, sell, store,**
451 **transport, or test cannabis, cannabis products, and cannabis concentrates in**
452 **accordance with all applicable laws.**

453
454 **“Licensee” means any person licensed or granted a permit pursuant to the**
455 **Colorado Marijuana Code or this Chapter, including the cannabis business named**
456 **on the cannabis business license and all individuals named in the cannabis**
457 **business license application or later reported to the City, including without**
458 **limitation, owners, managers, financiers, and individuals owning any part of the**
459 **entity that holds a financial or ownership interest in the cannabis business.**

460
461 **“Liquid assets” mean assets that can be readily converted into cash and includes**
462 **assets that will be placed directly into the cannabis business. Liquid assets**
463 **include, but are not limited to, the following: funds in checking or savings**
464 **accounts, certificates of deposit, money market accounts, mutual fund shares,**
465 **publicly traded stocks, United States savings bonds, furniture and equipment,**
466 **packaged cannabis, and related products and inventory to be transferred to the**
467 **cannabis business. Liquid assets do not mean household items, vehicles,**
468 **cannabis plants, and real property and improvements thereto.**

469
470 **“Local Licensing Authority” also known as “Cannabis Licensing Authority”**
471 **(“Authority”) means an authority designated by the City Council.**

472
473 **“Mall” means Mesa Mall located at 2424 US Highway 6, Grand Junction, CO 81505.**

474 **“Malt, vinous, and spiritous liquor” has the same meaning as defined in the**
475 **Colorado Liquor Code (Title 44, Article 3, C.R.S) or in the Colorado Beer Code (Title**
476 **44, Article 3, C.R.S.)**

477 **“Manager” means:**

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

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

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

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

486 **e. A general partner;**

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

489 g. Any person whose position with respect to an Entity, as determined
490 under the constituent documents and organic statutes of the Entity,
491 without regard to the Person's title, is the functional equivalent of any of
492 the positions described in this definition.

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

494 "Modification of premises" means a change to a regulated cannabis business that
495 requires a building or other permit from the City or changes any part of the plans
496 required as part of the application for the cannabis business license. Modification
497 of premises does not include routine maintenance, including replacement of
498 lightbulbs or filters, painting, cleaning or replacement of non-mechanical items
499 such as windows and flooring so long as the maintenance does not result in a
500 change to the plans required as part of the application.

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

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

513 "Person" shall mean a natural person, partnership, association, company,
514 corporation, limited liability company or other organization or entity or a manager,
515 agent, owner, officer or employee thereof.

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

521 "Possess" or "possession" means having physical control of the premises in
522 which an object is located or having the power and intent to control an object,
523 without regard to whether the one in possession has ownership of the object.
524 Possession may be held by more than one person at a time. Use of the object is
525 not required for possession. The owner of a regulated cannabis business shall be
526 considered in possession of the regulated cannabis business at all times. The
527 manager of a regulated cannabis business shall be considered in possession of

528 the regulated cannabis business at all times that the manager is on the premises
529 of the business or has been designated by the owner as the manager in the
530 absence of the owner in accordance with this Chapter.

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

533 **“Primary home”** means that home or place in which a person’s habitation is fixed
534 and to which the person, whenever absent, has the present intention of returning
535 after a departure or absence therefrom, regardless of the duration of such
536 absence. A **“primary home”** is a permanent building or part of a permanent
537 building and may include, by way of example, a house, condominium, apartment,
538 room in a house or manufactured housing. No rental property, a vacant house or
539 cabin or other premises used solely for business purposes shall be considered a
540 primary home.

541 **“Rehabilitation center”** means any facility(ies) or transitional residential treatment
542 facility(ies) operating after the effective date of this Chapter for prevention,
543 treatment or recovery from substances and mental health concerns as licensed by
544 the Colorado Department of Human Services, Office of Behavioral Health (OBH).
545 licensed by the Colorado Department of Human Services.

546 **“Restricted area”** means the portion of a cannabis business within which the
547 **“Licensee”** defines on its application it intends to distribute, possess, or produce
548 regulated cannabis and which area is clearly identified as the restricted area on the
549 floor plan submitted with the cannabis business license application for the
550 business.

551 **“Regulated cannabis business”** means:

552 (a) any person that produces, distributes, possesses, tests or makes available
553 more than six cannabis plants or one ounce of cannabis; any person that
554 sells any amount of cannabis; or

555 (b) any person who possesses cannabis openly or publicly.

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

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

559 (b) one ounce of cannabis; or

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

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

568 **“Safe” means the Grand Junction Police Department may approve security devices**
569 **such as vaults and strong rooms that are functionality equivalent to safes.**

Commented [JS1]: GJPD to consult

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

573 **5.13.014 License Required.**

574
575 **(a) It shall be unlawful for any person to engage in any form of business or**
576 **commerce or activity involving cultivation, processing, manufacturing,**
577 **storage, sale, distribution, transportation, testing, research or consumption**
578 **of any form of cannabis or cannabis products other than those forms of**
579 **business and commerce activities that are expressly contemplated by**
580 **Sections 14 and 16 of Article XVIII of the Colorado Constitution, Colorado**
581 **Marijuana Code, this Code, or other applicable provisions of the GJMC.**
582

583 **(b) It shall be unlawful for any person to operate a regulated cannabis**
584 **business in the City without a license to operate issued pursuant to the**
585 **requirements of this Chapter while concurrently holding a license in good**
586 **standing from the state and in compliance with any and all applicable laws.**
587

588 **(c) No regulated cannabis business shall operate without obtaining any other**
589 **license(s) or permit(s) required by any federal, state, or local law, by way of**
590 **example, a regulated sales and use tax license, a retail food business**
591 **license, or any applicable zoning or building permit. No two or more**
592 **different regulated cannabis businesses may be treated as one premise**
593 **unless approved as co-located businesses. Retail and medical cannabis**
594 **may be co-located; however, if not co-located medical licenses will not be**
595 **separately considered in accounting for the 10 (ten) license cap.**
596

597 **(d) The license(s) required to lawfully conduct business must be in full force**
598 **and effect, all applicable fees and taxes have been paid in full, and all**
599 **conditions of the license application be satisfied in order to conduct**
600 **business. Each and every license applies to the person/entity named**
601 **thereon and the activity(ies) authorized by the license and the location**

- 602 where the sale and/or possession occurs. Failure to maintain a current,
603 valid license shall constitute a violation of this Chapter.
604
- 605 (e) It shall be unlawful for any person to exercise any of the privileges granted
606 by a License other than the person(s) issued the License.
- 607 (f) It shall be unlawful for any person(s) granted a license to allow any other
608 person to exercise any privilege granted under the License.
- 609 (g) It shall be unlawful for any person to operate any cannabis business in the
610 City without a License issued by the City and the State licensing authorities
611 pursuant to the Colorado Marijuana Code, this Chapter and other
612 applicable provisions of the GJMC and applicable law.
- 613 (h) The issuance of a City license pursuant to this Chapter does not create an
614 exception, defense, or immunity to any person in regard to any potential
615 criminal liability the person may have for the production, distribution,
616 storage, transportation or possession of cannabis.
617
- 618 (i) All persons who are engaged in or who are attempting to engage in the
619 distribution, and/or sale of regulated cannabis in any form shall do so only
620 in strict compliance with the terms, conditions, limitations, and restrictions
621 in Section 14 and 16 of Article XVIII of the Colorado Constitution, state law,
622 the Colorado Marijuana Rules, the GJMC , and all other laws, rules, and
623 regulations.

624
625 **5.13.015 Licensing Authority (Cannabis Licensing Authority).**
626

- 627 (a) For the purpose of regulating and controlling the licensing and the sale of
628 regulated cannabis in the City, there is hereby created a local licensing
629 authority appointed by the City Council, hereafter referred to as Authority.
630
- 631 (b) The Authority shall have and is vested with authority to grant or to refuse a
632 license application or renewal, as well. The Authority may order special
633 terms and conditions on licenses in the event of an emergency or as
634 temporarily required to protect the public health, safety and wellbeing
635 without the need for a public hearing. Notice of such action and for a public
636 hearing before the Authority on the matter shall be provided to the
637 Licensee.
- 638 (c) The Authority shall have all the powers provided in this Chapter, and as set
639 forth in C.R.S. 44-10-301 *et. seq.* and the Colorado Marijuana Rules, and
640 the regulations promulgated thereunder.
641

- 642 (d) The Authority may promulgate such rules and regulations as it deems
643 necessary for the proper administration and enforcement of this Chapter,
644 provided that the same are not in conflict with the Colorado Marijuana
645 Code, Colorado Constitution, and the Colorado Department of Revenue
646 Enforcement Rules.
647
- 648 (e) The Authority may exercise all other powers and duties as are set forth in
649 the Colorado Marijuana Code, the Colorado Constitution, the Colorado
650 Department of Revenue Marijuana Enforcement Division Rules, the GJMC
651 and any rule or regulation adopted pursuant thereto.
652
- 653 (f) Under any and all circumstances in which state law requires
654 communication to the City by the state licensing authority or any other
655 state agency in regard to any license authorized by this Chapter, or in
656 which state law requires any review or approval by the City of any action
657 taken by the state licensing authority, the exclusive government
658 department for receiving such communications and granting such
659 approvals shall be the Authority.
660
- 661 (g) The Authority may issue subpoenas to require the presence of persons and
662 the production of papers, books and records necessary to the
663 determination of any hearing the Authority is authorized to conduct.
664
- 665 (h) The Authority may suspend, or revoke licenses granted under this Chapter
666 for good cause or as set forth in this Chapter or as applicable law may
667 provide.
668
- 669 (i) The Authority may summarily suspend a license issued pursuant to this
670 Chapter without notice pending any prosecution or public hearing for a
671 period not to exceed 15 days when the Authority determines a Licensee or
672 an agent or employee of the Licensee has violated the Colorado Marijuana
673 Code, the Colorado Department of Revenue Enforcement Division
674 Marijuana Rules, the Colorado Constitution, the City's Code, or any rule
675 and regulation related to the storage, sale, distribution, transportation,
676 testing, or consumption of any form of cannabis, or when the public health,
677 safety or wellbeing imperatively requires emergency action, and
678 incorporates such findings in the notice for a public hearing before the
679 Authority on the matter.
680
- 681 (j) Nothing in this Chapter shall be construed to limit a law enforcement
682 agency's ability to investigate unlawful activity in relation to a License
683 issued pursuant to this Code.

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

(l) 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.

(m) Duties of the Hearing Officer. The Hearing Officer shall:

- 1. Conduct all hearings required under this Chapter, rules and regulations, and codes construing and implementing the same.**
- 2. 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.**
- 3. 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.**
- 4. Promulgate rules and regulations concerning the procedures for hearings before the Authority.**
- 5. Require any Applicant or Licensee to furnish any relevant information required by the Authority.**
- 6. 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.**

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

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- 1. Control the mode, manner and order of all proceedings and hearings.**
 - 2. The adoption of rules, procedures, and policies for its own proceedings and for filing applications and requests.**
 - 3. 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 to refuse applications, complaints and other documents not filed in the approved digital format.**
 - 4. To perform any act that the Authority is authorized to perform by law.**
 - 5. To promulgate such rules and regulations deemed necessary to properly administer and enforce this Chapter, and to exercise all other powers and duties as set forth in this Chapter, as well as those set forth in the Colorado Marijuana Code and Subsection 5(f) of Section 16 of Article XVIII of the Colorado Constitution. The Authority shall provide all proposed rules and subsequent changes thereto, to City Council for approval by Resolution.**
- (o) Powers in the conduct of hearings. The Hearing Officer shall conduct hearings under and in accordance with this Chapter, local rules and procedures, and the Colorado Marijuana Code.**
- (p) Contempt. In the event that any person, in the immediate presence of the Authority or within its sight or hearing, while the Authority is in session during a hearing, commits a direct contempt of the Authority by speech, gesture or conduct which disobeys a lawful order of the Authority, shows gross disrespect to the Authority tending to bring the Authority into public ridicule, or substantially interferes with the Authority's proceedings, the Authority may hold such person in contempt. Contemptuous conduct by any principal, registered manager or employee shall be imputed to the Licensee. The Authority may impose the following sanctions for contempt:**
- 1. Removal of the person committing the contempt from the proceedings, the hearing room and its environs;**
 - 2. Public censure, which shall be made a matter of the Licensee's record and may be used as an aggravating factor in determining any fine, suspension, revocation or renewal;**

- 769 **3. A prohibition against the individual or the Licensee introducing into the**
770 **record testimony, documents, exhibits or other evidence;**
771
772 **4. An order striking, disregarding and refusing to consider pleadings,**
773 **applications, documents, objections, testimony, exhibits or other**
774 **evidence or arguments already introduced by such person;**
775
776 **5. A fine, enforced by suspension of the License until the fine is paid;**
777
778 **6. Default of any motion, compliant or other action then pending against**
779 **the Licensee; and/or**
780
781 **7. Denial of any application by the Licensee then pending before the**
782 **Authority.**

783
784 **(q) Determinations with respect to hearings.**

- 785
786 **1. The Hearing Officer shall make his/her determination after hearings in**
787 **accordance with this Code, the Colorado Marijuana Code and**
788 **established legal principles. The decision of the Hearing Officer shall be**
789 **final, and appeal from that decision shall be to the District Court of the**
790 **21st Judicial District.**
791
792 **2. Actions taken by the Authority are subject to review by the courts**
793 **pursuant to Rule 106 of the Colorado Rules of Civil Procedure. Any**
794 **person applying to the Court for review shall be required to pay the cost**
795 **of preparing a transcript of proceedings before the Authority whenever**
796 **such a transcript is necessary for purposes of an appeal.**

797
798 **5.13.016 City Manager; Powers and Duties – Licensing.**
799

- 800 **(a) The City Manager shall serve as the secretary of the Authority and shall**
801 **provide or cause to be provided the necessary administrative and**
802 **reporting services for the Authority. The City Manager and City Attorney**
803 **shall attend all meetings of the Authority. All public notices required by**
804 **this Chapter and by C.R.S. 44-10-101, et seq., and the Colorado Marijuana**
805 **Rules, as amended, and the regulations promulgated thereunder, shall be**
806 **accomplished by the City Manager.**
807
808 **(b) The City Manager shall receive all applications for licenses and permits**
809 **and, upon receipt of full payment of fees as are required by state law and**
810 **by this Chapter, and satisfaction of the preconditions of the licensure,**
811 **shall issue all licenses.**

812
813 **5.13.017 Application process/requirements.**

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

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

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

832 (d) Initial Application.

833 1. Complete Application. The City Manager shall receive all Applications
834 for a License authorized by this Chapter. The City Manager review and,
835 if demonstrated from the Application, find an Application to be complete
836 if the Applicant, on forms provided by the City, provides: (a) materials
837 and information demonstrating that all requirements for licensure can or
838 will be met by the Applicant at the time of licensure, provided in section
839 05.13.025 of this Code.

840 2. No person or entity, to include an affiliate(s)/affiliated entity, shall apply
841 for more than one license for any location in the City.

842 3. The Applicant shall provide a zoning and buffering verification from
843 Community Development Department Director that states the location
844 proposed for licensing complies with any and all zoning and land use
845 laws of the City, and any and all restrictions on location set forth in this
846 Code. If the Director makes a determination that the proposed license
847 location would be in violation of any zoning law or other restriction on
848 location set forth in the GJMC and/or any Administrative Regulation(s)
849 construing the same, then the Director shall, no later than 20 days from
850 the date the Applicant requested the zoning and buffering verification,

851 notify the Applicant in writing that the proposed license location cannot
852 be verified to be in compliance. As provided by the GJMC, the Applicant
853 may appeal the Directors decision.

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

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

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

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

879 **8. The Applicant shall pay all applicable application and licensing fees.**

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

886 **10. The Applicant provides affirmation in writing the Applicant officers,**
887 **directors, other owners, any person having a direct or indirect financial**
888 **interest in the business, and agents or employees of the Applicant are**
889 **of Good Moral Character considering the factors in C.R.S. § 24-5-101(2);**

890 have no felony convictions in the last five years, no drug related local
891 ordinance, petty offense or misdemeanor convictions in the last five
892 years, and no drug related felony convictions.

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

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

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

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

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

917 (f) Denial of initial application. The City Manager may deny any application
918 that does not meet the requirements of this Chapter, the Colorado
919 Marijuana Code, or any other applicable state or City law or regulation. In
920 addition to prohibitions on persons as licensees found in the Colorado
921 Marijuana Code, should the Applicant be unable to affirm or the City
922 discovers evidence that an affirmation was contrary, false, misleading or
923 incomplete, shall constitute full and adequate grounds for denial of any
924 application.

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

- 928 a. Provide notice in writing to the Applicant that
929 the Application is denied and reasons for the
930 denial;
931 b. Notify the State in writing of the City Manager's
932 decision to deny the application.
933

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

942 **5.13.018 Randomized selection process.**

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

948 **5.13.020 Investigation and fingerprinting of Applicant.**

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

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

957 **5.13.021 Duty to supplement.**

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

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

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

975 **5.13.023 Number of licenses.**

976 (a) No more than ten regulatory cannabis business licenses, excluding any
977 medical cannabis business license that are co-located with a Retail
978 Cannabis business license, shall be issued.

979 **5.13.024 Classes of licenses authorized.**

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

986 **5.13.025 Requirements of Issuance of a License.**

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

- 989 (a) The City Manager approved the Applicant's initial application; and,
990 (b) The Hearing Officer found the approved initial application to be complete
991 and after a public hearing referred the initial application to the randomized
992 selection process for possible selection for licensure for a license
993 authorized by this Chapter;
994 (c) If there was a randomized selection process, the initial Application was
995 selected for licensure in that process; and,
996 (d) The Applicant submitted all documents to the Authority that it provided to
997 the State for cannabis business licensure; and,
998 (e) The Applicant submitted *Findings of Suitability* application; and,

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5.13.032

999 (f) At the time of issuance of a License the Applicant has paid all fees and has
1000 or will have within 6 months of licensure a certificate of occupancy;

1001 (g) The Applicant and the Applicant's owner(s) and financier(s) are in
1002 compliance with all federal, state and local tax laws; and,

1003 (h) The Applicant has registered with the Authority the name(s) of the
1004 manager(s) of the cannabis business, and has provided to the Authority the
1005 names of all persons having 10% financial and/or ownership interest, in the
1006 cannabis business that is subject of the Application or, if the Applicant is
1007 an Entity, having a financial interest in the Entity together with the following:

- 1008 1. Name, address, date of birth;
- 1009 2. Acknowledgment and consent that the City may conduct a
1010 background investigation, including a criminal history check, and the
1011 City will be entitled to full and complete disclosure of all financial
1012 records of the regulated cannabis business and of any or all financial
1013 interests thereof, including records of deposit, withdrawals, balances
1014 and loans;
- 1015 3. If the Applicant is an Entity, information regarding the Entity,
1016 including without limitation, the name and address of the Entity, its
1017 legal status, and proof of registration with, or a certificate of good
1018 standing from, the Colorado Secretary of State, as applicable;
- 1019 4. If the Applicant is not the owner of the proposed licensed premises, a
1020 notarized statement from the owner of such property authorizing the
1021 use of the property for a cannabis business and specifying the type of
1022 regulated cannabis business(es) permitted;
- 1023 5. A copy of the deed reflecting the Applicant's ownership of, or the
1024 lease or contract reflecting the legal right of the Applicant to possess
1025 the proposed licensed premises for no less than four years;
- 1026 6. Evidence of a valid City and state sales tax license for the business;
- 1027 7. Proof of insurance as provided by § 5.13.035 of this Chapter;
- 1028 8. A zoning and buffering verification as described by this Chapter;
- 1029 9. An operating plan;
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circumstance for extension beyond 6 months.

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- 10. A 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. 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.**
 - 11. A plan for preventing underage persons from entering the premises.**
 - 12. 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.**
 - 13. 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.**
 - 14. 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;**
 - 15. Disclosure of the Applicant's financial interests, including individuals and/or entities.**
 - 16. 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;**
 - 17. 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,**

1080 **18. Any supplemental materials to comply with City laws and any**
1081 **additional information that the Authority reasonably determines to be**
1082 **necessary in connection with the investigation and review of the**
1083 **Application.**

1084
1085 **(i) A written statement disclosing if the named owner(s), member(s),**
1086 **manager(s), Financer(s), agent(s), or person(s) named on the Application**
1087 **has(have) been:**

1088
1089 **1. Denied an application for a cannabis business license pursuant to this**
1090 **Chapter, or any state or local licensing law, rule, or regulation, or had**
1091 **such a license suspended or revoked.**

1092
1093 **2. Denied an application for liquor license pursuant to Title 44, Article 47**
1094 **or Article 46, C.R.S. or any similar state or local licensing law, or had**
1095 **such a license suspended or revoked.**

1096
1097 **3. In the event an owner, member, agent, manager, financier, or other**
1098 **person named on the Application contains information regarding**
1099 **violations of any law or previous denial or revocation of a license, that**
1100 **person must include with the Application any information regarding**
1101 **such violation(s), denial, or revocation. Such information must**
1102 **include, but is not limited to, a statement of the violation(s) and**
1103 **penalty(ies) for such violation(s), evidence of rehabilitation, character**
1104 **references, and educational achievements, and other regulatory**
1105 **licenses held without compliance violations, especially those items**
1106 **pertaining to the period of time between the Applicant's last violation**
1107 **of any law and the date of the application.**

1108
1109 **4. The City may, prior to issuance of the certificate of occupancy for the**
1110 **cannabis business, perform an inspection of the proposed licensed**
1111 **premises to determine compliance with any applicable requirements**
1112 **of this Chapter or other provisions of this Code, the International Fire**
1113 **Code or the International Building Code.**

1114
1115 **5.13.026 Fees.**

1116 **(a) A nonrefundable Application Fee shall be paid to the state upon**
1117 **application to the state for a cannabis business license.**

1118 **(b) The Application Fee shall be paid to the City at the time of application for**
1119 **a cannabis business license. At the discretion of the City, a portion of the**
1120 **license fee may be refunded if an application is withdrawn by the**

1121 Applicant, denied by the City Manager or Hearing Officer, or the Applicant
1122 is not selected in the randomized selection process for issuance of a
1123 cannabis business license. A request for a refund must be made in
1124 writing by the Applicant to the City Manager within 30 days of the date of
1125 the withdrawal, denial of the application or failure of the license to be
1126 selected in the randomized selection process for issuance of a cannabis
1127 business license.

1128 (c) Renewal, change of location, inspection and all other fees may be
1129 imposed as necessary for the administration, regulation and
1130 implementation of this Code shall be set by City Council resolution.

1131 (d) License and application fees shall be set City Council resolution, and, as
1132 deemed necessary, adjusted to reflect the direct and indirect costs
1133 incurred by the City in connection with the adoption, administration, and
1134 enforcement of this Code.

1135 (e) In addition to fees and any other monetary remedy provided by this Code,
1136 the City shall have the right to recover all sums due and owing hereunder
1137 by any civil remedy available at law.

1138 **5.13.028 No vested rights; commencement of operations.**

1139
1140 (a) Notwithstanding anything contained in this Chapter, an application
1141 initially approved for consideration of licensure and found to be
1142 complete by the Hearing Officer, or in the event a license is issued,
1143 creates no vested right(s) to the License or the renewal of a License,
1144 and no property right in the License or the renewal of a License is
1145 created.

1146
1147 (b) In the event that a cannabis business does not commence operations
1148 within 180 days of issuance of a certificate of occupancy for the
1149 regulated cannabis business from the City, the license shall be deemed
1150 forfeited and the business may not commence operation.

1151
1152 (c) It shall be unlawful for the owner of a building to allow the use of any
1153 portion of the building by a cannabis business unless the tenant has a
1154 valid regulated cannabis business license or has applied for one and
1155 been awarded a regulated cannabis business license or no cannabis is
1156 located on the premises until a license has been issued by the City. In
1157 the event that the City has an articulable reason to believe that a
1158 regulated cannabis business is being operated in a building, it shall be
1159 unlawful for the owner of the building to refuse to allow the City access

1160 to the portion of the building in which the suspected cannabis business
1161 is located to determine whether any cannabis is on the premises.

1162

1163 **5.13.029 Transfer.**

1164

1165 (a) A cannabis business license is not transferrable or assignable, in whole or
1166 in part, including, without limitation, to a different premise or to a different
1167 type of business. A regulated cannabis business license is valid only for the
1168 owner named thereon, the type of business disclosed on the application for
1169 the License(s), and the location for which the license is issued. The
1170 Licensee(s) of a regulated cannabis business are only those persons
1171 disclosed in the Application or subsequently disclosed to the City in
1172 accordance with this Chapter.

1173 (b) Transfer of ownership of any interest of the Licensee may not occur within
1174 three years of issuance of the license by the City.

1175 (c) Transfer of ownership of any regulated cannabis business license issued
1176 pursuant to this Chapter shall be governed by the standards and procedures
1177 set forth in the Colorado Marijuana Code and any regulations adopted
1178 pursuant thereto and the Authority shall administer transfers of local
1179 licenses in the same manner as the state licensing authority administers
1180 transfers of state licenses. The public hearing requirement set forth in §
1181 5.13.031 of this Chapter shall apply to all applications for transfer of
1182 ownership of any regulated cannabis license.

1183 (d) In determining whether to permit a transfer of ownership, the Authority may
1184 consider the requirements of law and the Colorado Marijuana Rules. No
1185 application for transfer of ownership will be considered by the Authority if,
1186 at the time of such application, the Licensee is under a notice of violation or
1187 other unlawful acts issued by either the Authority or the state licensing
1188 authority.

1189 (e) The submission or pendency of an application for transfer of ownership
1190 does not relieve the Licensee from the obligation to properly apply to renew
1191 such License.

1192 (f) No owner may apply for a transfer of ownership of any regulated cannabis
1193 business license issued pursuant to this Chapter if the transferee is an
1194 owner of or an affiliate of any other business entity holding another
1195 regulated cannabis license in the City.

1196 **5.13.030 Change in corporate structure.**

1197 (a) A change of corporate structure of any regulated cannabis business that
1198 results in any of the change(s) in subsections 1 through 3 below shall

1199 require the filing of an application and payment of the requisite fees and
1200 shall be subject to all requirements of the licensing process. A change of
1201 corporate structure shall be heard and approved or denied by the Authority.

1202 1. Any transfer or assignment of ten percent or more of the capital
1203 stock of any corporation, or ten percent or more of the ownership
1204 interests of any limited partnership interest in any year, or transfer
1205 of a controlling interest regardless of size.

1206 2. Any change of officer or directors of a corporation that involves the
1207 addition or substitution of individual(s) who was not previously an
1208 officer or director of the corporation during a period of time that the
1209 corporation held the license.

1210 3. Any transfer of the capital stock of any corporation, or transfer of
1211 any limited partnership interest in any general partnership of a
1212 limited partnership, or transfer of any limited liability company
1213 interest in a limited liability company of any kind, joint venture or
1214 business entity that results in any individual owning more than ten
1215 percent of an ownership interest in the business entity if that
1216 individual's ownership interest did not exceed ten percent prior to
1217 the transfer.

1218 (b) A change of corporate structure that results in any transfer or assignment
1219 of less than ten percent of the capital stock of any corporation or less than ten
1220 percent of the ownership interests of any limited partnership interest in any
1221 year to a person who currently has an interest in the business, and that does
1222 not result in a change of controlling interest, shall not require an application
1223 for change of corporate structure.

1224 (c) No application for transfer of ownership or change in corporate structure
1225 may be approved by the Authority until all City and state occupational taxes,
1226 City and state sales and use taxes, excise taxes, any fines, penalties, and
1227 interest assessed against or imposed upon such Licensee in relation to
1228 operation of the licensed business are paid in full.

1229 (d) A Licensee shall report each and every change of financial interest in the
1230 license and/or the Licensee to the Authority prior to any such change pursuant
1231 to and in accordance with the provisions of law and the Colorado Marijuana
1232 Rules. A report shall be required for transfers of capital stock of any
1233 corporation regardless the size, for transfers of member interests of any limited
1234 liability company regardless of the size, and for any transfer of an interest in a
1235 partnership or other entity or association regardless of size.

1236 (e) No owner may apply for a change in corporate structure of any regulated
1237 cannabis business licensed entity issued pursuant to this Chapter if the

1238 change adds any person or entity as an owner, officer or member of the
1239 corporation or entity as an affiliate of any other business entity holding
1240 another regulated cannabis license in the City.

1241 **5.13.031 Public hearing and Notice Requirements.**

1242
1243 (a) The public hearing procedure shall apply to any Application that has been
1244 first approved by the City Manager for any regulated cannabis business and
1245 to any application for licensing renewal if the renewal application is referred
1246 to the Licensing Authority by the City Manager pursuant to § 5.13.045 of this
1247 Chapter.

1248 (b) Public notice of the application shall be given as follows:

1249 1. Posting a sign by the applicant on the premises for which an
1250 application has been made, not less than 14 days prior to the public
1251 hearing, stating the date of the application, the date of the hearing, the
1252 name and address of the applicant and such information as may be
1253 required to fully apprise the public of the nature of the application. The
1254 City Clerk shall provide the sign to the applicant for posting. If the
1255 building in which the regulated cannabis business is to be located is in
1256 existence at the time of the application, any sign posted shall be placed
1257 so as to be conspicuous and plainly visible to the general public.

1258
1259 2. Publication of notice by the City Manager not less than 14 days prior to
1260 the public hearing, in the same manner as the City posts notice of other
1261 public hearing matters.

1262 (c) Any decision of the Authority approving or denying an application
1263 shall be in writing stating the reasons therefor and the City Manager shall
1264 send a copy of such decision by certified mail to the Applicant at the
1265 address shown in the Application and to the State licensing authority.
1266

1267 **5.13.032 Licenses and permits prohibited.**

1268 The following regulated cannabis licenses and permits, as defined in C.R.S. 44-
1269 10-103 as amended, shall be prohibited in the City:

1270 (a) Cannabis Products Manufacturing and Cultivation Licenses,

1271
1272 (b) Cannabis Hospitality and Sales Licenses,

1273
1274 (c) Cannabis Transporter Licenses,
1275

Commented [JS4]: See also 5.13.024

1276 (d) Cannabis Business Operator Licenses,
1277

1278 (e) Cannabis Cultivator Licenses,
1279

1280 (f) Cannabis Accelerator Licenses.
1281

1282 **5.13.033 Persons prohibited as Licensees.**

1283 (a) No license shall be issued to, held by or renewed by any of the following:

1284 1. Any person until the annual fee for the license has been paid;

1285 2. Any natural person who is not of good moral character;

1286 3. Any entity of whose officers, directors, stockholders, or managing
1287 members are not of good moral character;

1288 4. Any person employing, assisted by, or financed in whole or in part
1289 by any other person who is not of good moral character;

1290 5. Any natural person who has been released within five years
1291 immediately preceding the application from any form of
1292 incarceration or court-ordered supervision, including a deferred
1293 sentence, resulting from a conviction of any felony or any crime
1294 under the laws of the State would be a felony; or any crime of which
1295 fraud or intent to defraud element, whether in the State or
1296 elsewhere; or any felonious crime of violence, whether in the State
1297 or elsewhere;

1298 6. Any person with ten percent (10%) or greater financial interest in
1299 the entity that has been convicted of any of the offenses set forth
1300 in (1) above;

1301 7. Any Applicant who has made a false, misleading or fraudulent
1302 statement or who has intentionally omitted pertinent information
1303 on his or her application for a license;

1304 8. Any natural person who is under 21 years of age;

1305 9. Any person who operates or manages a regulated cannabis
1306 business contrary to the provisions of this Chapter, any other
1307 applicable law, rule, or regulation or conditions imposed on land
1308 use or license approvals, or contrary to the terms of the plans
1309 submitted with the license application or has operated a business
1310 in violation of any law;

- 1311 **10. Any person applying for a license to operate a regulated cannabis**
1312 **business who has been licensed to operate another regulated**
1313 **cannabis business in the City pursuant to this Chapter;**
- 1314 **11. A person licensed pursuant to this Chapter who, during a period**
1315 **of licensure, or who, at the time of application, has failed to remedy**
1316 **an outstanding delinquency for taxes owed, or an outstanding**
1317 **delinquency for judgments owed to a government;**
- 1318 **12. A sheriff, deputy, police officer, prosecuting officer, or an officer**
1319 **or employee of the state or Authority; and,**
- 1320 **13. A person whose authority to be a primary caregiver as defined in**
1321 **§ 25-1.5-106(2), C.R.S., has been revoked by the state health**
1322 **agency.**
- 1323 **14. No owner of any business applying for a license or in possession**
1324 **of a license within the City may apply for or be an owner of or be**
1325 **an affiliate of any other business entity applying for another license**
1326 **within the City.**
- 1327 **(b) In making an evaluation of the good moral character of an individual**
1328 **identified on an application or amendment thereof, the Authority shall**
1329 **consider the following:**
- 1330 **1. An Applicant's violation of law shall not, by itself, be grounds for**
1331 **denying an application;**
- 1332 **2. Verification of or lack of ability to verify items disclosed by the**
1333 **Applicant;**
- 1334 **3. When a person has a history of violation of any law or a history**
1335 **including denial, revocation, or suspension of a license, the types**
1336 **and dates of violations; the evidence of rehabilitation, if any,**
1337 **submitted by the individual; whether the violations of any laws are**
1338 **related to moral turpitude, substance abuse, or other violations of**
1339 **any laws that may directly affect the individual's ability to operate**
1340 **a regulated cannabis business; or whether the violations of any law**
1341 **are unrelated to the individual's ability to operate such a business;**
- 1342 **4. The evidence or lack of evidence regarding the ability of the**
1343 **individual to refrain from being under the influence of intoxicating**
1344 **or controlled substances while performing regular tasks and**
1345 **operating a regulated cannabis business;**
- 1346 **5. Rules adopted by the Authority to implement this Chapter;**

1347 6. Law, rules, and regulations applicable to evaluation of other types
1348 of licenses issued by the City that consider the good moral
1349 character of the Applicant; and,

1350 7. Any additional information the Authority may request of the
1351 Applicant if the Applicant has a violation of any laws, an
1352 administrative or judicial finding of violation of laws regarding use
1353 of alcohol or controlled substances or items disclosed by the
1354 individual which require additional information in order for the
1355 manager to make a determination regarding issuance of the
1356 license.

1357 **5.13.034 Security requirements.**

Commented [JS5]: Confirm with GJPD

1358 Security measures at all licensed premises shall comply with the requirements of
1359 the Colorado Marijuana Code and applicable rules and regulations promulgated
1360 thereunder. In addition, thereto, the following security practice are required:

1361 (a) A security plan submitted with the Application, as it may be amended, shall
1362 provide equipment, which shall be in good working order, monitored, and
1363 secured 24 hours per day. The plan, at a minimum, shall include:

1364 1. The installation and use of security cameras to monitor and record all
1365 areas of the premises (except restrooms), and where persons may
1366 gain or attempt to gain access to cannabis or cash maintained by the
1367 regulated cannabis business. Cameras shall record operations of the
1368 business to the off-site location, as well as all potential areas of
1369 ingress or egress to the business with sufficient detail to identify facial
1370 features and clothing. Recordings from security cameras shall be
1371 maintained for a minimum of 40 days in a secure offsite location in the
1372 City or through a service over a network that provides on-demand
1373 access, commonly referred to as a "cloud". The offsite location shall
1374 be included in the security plan submitted to the City and provided to
1375 the Grand Junction Police Department and updated within 72 hours of
1376 any change of such location.

1377 2. The installation and use of a safe for storage and any processed
1378 cannabis and cash on the premises when the business is closed to
1379 the public. The safe, as defined in 5.13.013, shall be incorporated into
1380 the building structure or securely attached thereto.

1381 3. The installation and use of an alarm system that is monitored by a
1382 company that is staffed 24 hours a day, seven days a week. The
1383 security plan submitted to the City shall identify the company
1384 monitoring the alarm, including contact information, and updated
1385 within 72 hours of any change of monitoring company. If the alarm

1386 system includes a panic alarm, an operable dedicated phone for law
1387 enforcement to respond to the alarm shall remain on the premises at
1388 all times.

1389 4. The installation and use of outdoor lighting and a diagram and
1390 description of where the lighting shall be placed in accordance with
1391 the GJMC.

1392 (b) The security plan shall be designed to:

1393 1. Prevent the use of cannabis on the licensed premises;

1394 2. Prevent unauthorized individuals from entering the limited access
1395 area portion of the licensed premises;

1396 3. Prevent theft or the diversion of cannabis, including maintaining all
1397 cannabis in a secure, locked room that is accessible only to
1398 authorized persons and, when the business is closed to the public, in
1399 a safe or vault or equivalent secured fixture.

1400 5.13.035 Insurance.

1401 (a) All Applicants must provide at time of application a quote for insurance for
1402 worker's compensation as required by state law and general liability
1403 insurance with minimum limits of \$1,000,000 per occurrence and a
1404 \$2,000,000 aggregate limit.

1405 (b) Licensee shall at all times maintain in force and effect worker's
1406 compensation insurance as required by state law and general liability
1407 insurance with minimum limits of \$1,000,000 per occurrence and a
1408 \$2,000,000 aggregate limit.

1409 (c) Insurance shall:

1410 1. Provide primary coverage;

1411 2. Carry limits as provided in this Chapter;

1412 3. Issue from a company licensed to do business in Colorado having an AM
1413 Best rating of at least A-VI; and,

1414 4. Be procured and maintained in full force and effect for duration of the
1415 License.

1416 (d) Licensee shall be required to maintain insurance under this section and shall
1417 annually provide the City a certificate of insurance evidencing the existence
1418 of a valid and effective policy. The certificate shall show the following:

1419 1. The limits of each policy, the name of the insurer, the effective date and
1420 expiration date of each policy, the policy number, and the names of the
1421 additional insureds; and,

1422 2. A statement that Licensee shall notify the City of any cancellation or
1423 reduction in coverage within seven days of receipt of insurer's
1424 notification to that effect. The Licensee shall forthwith obtain and submit
1425 proof of substitute insurance in the event of expiration or cancellation of
1426 coverage within 30 days.

1427 **5.13.036 Report requirements.**

1428 **A cannabis business shall report to the City Manager each of the following within**
1429 **the time specified. If no time is specified, the report shall be provided within 72**
1430 **hours of the event:**

1431 (a) Transfer or change of financial interest, manager or Financier in the license
1432 to the City at least 30 days before the transfer or change;

1433 (b) Sales and taxable transactions and file sales and use tax reports to the City
1434 monthly;

1435 (c) Any violation of law by any Licensee, Applicant, or employee of a regulated
1436 cannabis business;

1437 (d) A notice of potential violation of any law to any license;

1438 (e) Upon City request, any report that the regulated cannabis business is
1439 required to provide to the State; and;

1440 (f) Licensee and any agent, manager or employee thereof shall immediately
1441 report to the Grand Junction Police Department any disorderly act, conduct
1442 or disturbance and any unlawful activity committed in or on the licensed
1443 premises, including, but not limited to, any unlawful sale of regulated
1444 cannabis, and shall also immediately report any such activity of which the
1445 Licensee has knowledge in the immediate vicinity of the business within
1446 twelve hours of the occurrence.

1447 (g) Each Licensee shall post and keep at all times visible to the public in a
1448 conspicuous place on the premises a sign with a minimum height of 14
1449 inches and a minimum width of 11 inches with each letter to be minimum of
1450 one-half inch in height, which shall read as follows:

1451

WARNING:

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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.

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(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.

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(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.

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5.13.037 Public health and labeling requirements.

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(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.

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(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.

1475
1476

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

1477

5.13.038 Cannabis sales; walk-up and drive thru.

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(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.

1482

(b) Order and identification requirements.

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1484

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

- 1485 inspecting the consumer's identification in the same manner as
1486 described in § 5.13.041(f).
- 1487 **2. Regulated cannabis stores may accept telephone or online orders or**
1488 **may accept orders from the consumer at the walk-up window or drive-up**
1489 **window, to the extent allowed under state law.**
- 1490 **3. All orders received through a walk-up window or drive-thru window must**
1491 **be placed by the customer from a menu. The regulated cannabis store**
1492 **may not display cannabis at the walk-up or drive-thru window.**
- 1493 **4. Delivery windows for walk-up sales must be at a separate location on the**
1494 **premises than those for drive-thru sales.**
- 1495 **5. For every transfer of regulated cannabis through either a walk-up**
1496 **window or drive-up window, the regulated cannabis store video**
1497 **surveillance must record the consumer's facial features with sufficient**
1498 **clarity to establish their identity (and consumer's vehicle in the event of**
1499 **drive-up window) and must record the Licensee verifying the consumer's**
1500 **identification and completion of the transaction through the transfer of**
1501 **regulated cannabis.**

1502

1503

1504

1505 **5.13.039 Prohibited acts. It shall be unlawful:**

- 1506 **(a) For any person to sell cannabis or cannabis products without valid**
1507 **regulated cannabis business licenses from the City and a valid regulated**
1508 **cannabis business license from the State;**
- 1509
- 1510 **(b) at a licensed regulated cannabis store any time not permitted by this Code;**
1511 **For any person to operate a regulated cannabis business**
- 1512 **(c) For any person to sell or distribute cannabis to persons under the age of**
1513 **21;**
- 1514 **(d) For any person under 21 years of age to be on or within the limited access**
1515 **area of any cannabis business;**

- 1516 (e) For any person to display, transfer, cultivate, distribute, transfer, serve,
1517 sell, give away, produce, dispose of, smoke, use, or ingest cannabis or any
1518 cannabis openly or publicly in a place open to the general public;
- 1519 (f) For any person to possess or operate a cannabis business in violation of
1520 this Chapter or in a manner that is not consistent with the items disclosed
1521 in the application for the cannabis business or be in violation of any plan
1522 made part of the License Application and/or License;
- 1523 (g) For any person to produce, distribute, or possess more cannabis than
1524 allowed by law, or than disclosed in the application to the State of Colorado
1525 and the Authority for a cannabis business license, or other applicable law;
- 1526 (h) For any person to refuse or fail to provide video surveillance footage to the
1527 Grand Junction Police Department, the City Manager, the City Attorney, or
1528 the Authority in connection with a criminal and/or license violation
1529 investigation, or to refuse to allow inspection of a cannabis business.
1530
- 1531 (i) For any person to refuse to allow inspection of a regulated cannabis
1532 business upon request of a City employee. Any Licensee, owner, manager,
1533 or operator of a regulated cannabis business, or the owner of the property
1534 where a regulated cannabis business is located, may be charged with this
1535 violation;
- 1536 (j) For any person to store or keep cannabis intended for sale or distribution
1537 by the Licensee in any place outside of the licensed premises;
- 1538 (k) For any person to smoke, use, or ingest on the premises of a regulated
1539 cannabis business cannabis, fermented malt beverage, malt, vinous, and
1540 spirituous liquor or any controlled substance(s), except in compliance
1541 with the directions on a legal prescription for the person from a doctor
1542 with prescription writing privileges;
- 1543 (l) For any person to operate or be in physical control of any cannabis
1544 business while under the influence of alcohol or other intoxicant, or
1545 cannabis, or any controlled substance(s), except in compliance with the
1546 directions on a legal prescription for the person from a doctor with
1547 prescription writing privileges;
- 1548 (m) For alcohol beverages to be on the licensed premises;
- 1549 (n) For any person to purchase cannabis in the City from any person not
1550 properly licensed to sell cannabis;
- 1551 (o) For any person to possess or operate a regulated cannabis business in
1552 violation of this Chapter;

- 1553 (p) For any person to produce, distribute, or possess more cannabis than
1554 allowed by law; or than disclosed in the application to the State of Colorado
1555 for a regulated cannabis business license, or other applicable law;
- 1556 (q) For any person to give away, dispense, or otherwise distribute cannabis for
1557 free or without use of a coupon approved and defined by this Code;
- 1558 (r) For any person to knowingly conduct or permit any employee to conduct
1559 any sale(s) transaction(s) when the video surveillance system or equipment
1560 is inoperable;
- 1561 (s) For any person to distribute cannabis for remuneration without a regulated
1562 cannabis license or outside of the restricted area of the regulated cannabis
1563 business;
- 1564 (t) For any person to possess regulated cannabis, or own or manage a
1565 regulated cannabis business, or own or manage a building with a regulated
1566 cannabis business, where there is possession of regulated cannabis, by a
1567 person who is not lawfully permitted to possess regulated cannabis;
- 1568 (u) For any person to possess or operate a regulated cannabis business in a
1569 location for which a regulated cannabis business license is prohibited by
1570 law;
- 1571 (v) For any person to operate a regulated cannabis business in a manner that
1572 is not consistent with the Application for the regulated cannabis business
1573 or is in violation of any plan made part of the license application/issued
1574 license;
- 1575 (w) For any person to operate a regulated cannabis business without obtaining
1576 and passing all building inspections and obtaining all permits required by
1577 the City;
- 1578 (x) For any person to operate a regulated cannabis business in violation of any
1579 building, fire, zoning, plumbing, electrical, or mechanical code(s) as
1580 adopted and amended by the City;
- 1581 (y) For any person to operate a regulated cannabis business without
1582 disclosing, in the application for a regulated cannabis business license or
1583 an amendment thereto, an agent who either (i) acts with managerial
1584 authority, (ii) provides advise to the regulated cannabis business for
1585 compensation, or (iii) receives periodic compensation totaling \$1,000 or
1586 more in a single year for services related to the regulated cannabis
1587 business. It shall be an affirmative defense that the undisclosed person
1588 was an attorney, accountant, bookkeeper, or mail delivery person;

- 1589 (z) For any person to operate a regulated cannabis business without a sales
1590 tax license as required by the GJMC;
- 1591 (aa) For any person to make any change(s), or for the Licensee to allow any
1592 change(s), to the terms of any plan(s) submitted with the license
1593 application and approved by the City, or the person(s) entity(ies) named in
1594 the application, without prior approval of the City;
- 1595 (bb) For any person to attempt to use or display a regulated cannabis business
1596 license at a different location or for a different business entity than the
1597 location and business entity disclosed on the application for the issued
1598 license;
- 1599 (cc) For any person to cultivate, produce, distribute or possess regulated
1600 cannabis or own or manage a regulated cannabis business in which
1601 another person cultivates, produces, distributes, or possesses cannabis,
1602 in violation of law;
- 1603 (dd) For any person to allow an owner or manager that has not been disclosed
1604 to the City as required by law to operate the business;
- 1605 (ee) For any person to dispose of regulated cannabis or any by-product of
1606 regulated cannabis containing cannabis in a manner contrary to law;
- 1607 (ff) For a person to distribute a regulated cannabis plant to any person, except
1608 as permitted by law for immature plants;
- 1609 (gg) For any person to deliver regulated cannabis between regulated cannabis
1610 businesses except in strict compliance with law;
- 1611 (hh) For any person to advertise or publish materials, honor coupons, sell
1612 or give away products, or display signs that are in violation of this Code or
1613 the laws of the State of Colorado;
- 1614 (ii) For any person to violate any provision of this Code or any condition of a
1615 license granted pursuant to this Code or any law, rule, or regulation
1616 applicable to the use of regulated cannabis or the operation of a regulated
1617 cannabis business;
- 1618 (jj) For any person to permit any other person to violate any provision of this
1619 Code or any condition of an approval granted pursuant to this Code, or any
1620 law, rule, or regulation applicable to the use of regulated cannabis or the
1621 operation of a regulated cannabis business;

- 1622 (kk) For any person to lease any property to a regulated cannabis business that
1623 has cannabis on the property without a regulated cannabis business license
1624 from the City;
- 1625 (ll) For any person to distribute cannabis within a regulated cannabis business
1626 to any person who shows visible signs of intoxication from alcohol,
1627 cannabis, or other drug(s)/intoxicant(s);
- 1628 (mm) For any person to be on or within the licensed premises if such person is
1629 under 21 years of age;
- 1630 (nn) For any person to permit any person under 21 years of age on the premises
1631 of the regulated cannabis business; it is presumed that the Licensee is
1632 aware of the age of all people on the premises if identification is not
1633 specifically checked at the entry to the building;
- 1634 (oo) For any person to fail to confiscate fraudulent proof of age and notify the
1635 Grand Junction Police Department. It shall be an affirmative defense to
1636 failure to confiscate the fraudulent proof of age if an attempt to confiscate
1637 a fraudulent proof of age caused a reasonable person to believe the act
1638 created a threat to any person;
- 1639 (pp) For any person to fail to provide a copy or record of a coupon issued by or
1640 redeemed at the regulated cannabis business upon request of an authorized
1641 City employee;
- 1642 (qq) For any licensee or any manager, agent or employee of such licensee to fail
1643 to immediately report to the Grand Junction Police Department and the
1644 Authority any disturbance(s), disorderly conduct or criminal activity
1645 occurring at the regulated cannabis business, on the licensed premises,
1646 within the licensed premises, or any property under the control or
1647 management of the Licensee, including any associated contiguous parking
1648 area used by Licensee's patrons. For the purpose of this subsection,
1649 "report" means to either:
- 1650 1. Immediately, verbally, and directly in person notify any on-site
1651 uniformed Grand Junction Police Officer whether on duty or
1652 working secondary employment; or
 - 1653 2. Immediately place and complete a telephone call to the non-
1654 emergency line at the Grand Junction Police Department; or
 - 1655 3. Immediately place and complete a telephone call to the
1656 emergency line at the Grand Junction Police Department.

1657 (rr) For any person to fail to post the premises with signs notifying the public of
1658 the closure of the business during a suspension as required by this Chapter;

1659 (ss) For any licensee holding a regulated cannabis store license, or for any agent,
1660 manager or employee thereof, to sell, give, dispense or otherwise distribute
1661 cannabis or regulated cannabis paraphernalia from any outdoor location;

1662 (tt) For any person to employ a business manager that has not been properly
1663 registered with the City; and,

1664 (uu) For any person to operate or possess a regulated cannabis business license
1665 in violation of any ordinance or regulation of the City, or any applicable law,
1666 rule or regulation.

1667 Any person who pleads guilty or no contest to, or who, after hearing, is found to
1668 have violated any of the foregoing shall be subject to penalties pursuant to
1669 Chapter 1.04.080 and any penalties specifically referenced within the GJMC.

1670 **5.13.040 Nonrenewal, suspension or revocation of license.**

1671 (a) The term and renewal of the license shall be governed by the standards and
1672 procedures set forth in the Colorado Marijuana Code, the City's Code and
1673 any rules and regulations adopted pursuant thereto.

1674 (b) The Authority may, after notice and hearing, suspend, revoke or deny
1675 renewal of a license for any of the following reasons:

1676 1. The Applicant or licensee, or his or her agent, manager or employee,
1677 manager, or financier has violated, does not meet, or has failed to comply
1678 with, any of the terms, requirements, conditions, or provisions of this
1679 Code or with or with any applicable state or local law, rule or regulation;

1680 2. The Applicant or Licensee, or his or her agent, manager or employee, or
1681 financier has failed to comply with any special terms or conditions of its
1682 license pursuant to an order of the state or the Authority, including those
1683 terms and conditions that were established at the time of issuance of the
1684 license and those imposed as a result of any disciplinary
1685 proceeding(s) held subsequent to the issuance of the license;

1686 3. The regulated cannabis business has been operated, by a preponderance
1687 of the evidence, in a manner that adversely affects the public health,
1688 safety or welfare;

1689 4. Misrepresentation or omission of any material fact, or false or misleading
1690 information, on the application any amendment thereto, or renewal

- 1691 request, or any other information provided to the City related to the
1692 regulated cannabis business;
- 1693 5. Violation of any law by which, if occurring prior to and during submittal
1694 and review of the application, could have been cause for denial of the
1695 license application;
- 1696 6. Distribution of cannabis, including, without limitation, in violation of this
1697 Chapter or any other applicable law, rule, or regulation;
- 1698 7. Failure to maintain, or provide to the City upon request, any books,
1699 recordings, reports, or other records required by this Chapter;
- 1700 8. Failure of the Licensee to file any report(s), notification(s) or furnish any
1701 information as required by the provisions of this Chapter, or any rule or
1702 law adopted pursuant thereto relating to any license authorized by law;
- 1703 9. Failure to timely notify the City and to complete necessary form(s) for
1704 change(s) in financial interest, manager(s), financier, or agent;
- 1705 10. Temporary or permanent closure, or other sanction of the business, by
1706 the City, or by the County or State of Colorado or other governmental
1707 entity with jurisdiction, for failure to comply with health and safety
1708 provisions of this Chapter or otherwise applicable to the business or any
1709 other applicable law;
- 1710 11. Revocation or suspension of another regulated cannabis business or any
1711 other license issued by the City, the State, or any other jurisdiction held
1712 by any Licensee of the regulated cannabis business;
- 1713 12. Failure to timely correct any violation of any law or comply with any order
1714 to correct a violation of any law within the time stated in the notice or
1715 order;
- 1716 13. Abandonment of the licensed premises by the Licensee or otherwise
1717 ceasing of operations without notifying the Authority and the state
1718 licensing authority within 48 hours in advance and without accounting for
1719 and forfeiting to the state licensing authority for the destruction of all
1720 cannabis or products containing cannabis;
- 1721 14. Failure to comply with the provisions of the Colorado Marijuana Code, the
1722 City's Code, and any rule or regulation adopted pursuant thereto, or any
1723 special term or condition placed upon the Licensee by order of the
1724 Authority or State licensing authority.

- 1725 **15. Violations of any conditions imposed in connection with the issuance or**
1726 **renewal of the license;**
- 1727 **16. Failure to pay all required fines, interest, costs, fees, or penalties**
1728 **assessed against or imposed upon such Licensee in relation to the**
1729 **licensed cannabis business;**
- 1730 **17. Failure to file tax returns when due as required by this Code, or the**
1731 **Licensee is overdue on his or her payment to the state or local taxes**
1732 **related to the operation of the business associated with the license;**
- 1733 **18. Loss of right of possession to the licensed premises;**
- 1734 **19. Failure of the licensee to comply with the duty to supplement the license**
1735 **application;**
- 1736 **20. Failure of the licensee to operate in accordance with any special term or**
1737 **condition placed upon a license by the Authority or the state licensing**
1738 **authority;**
- 1739 **21. The licensee, or any of agent(s) or employee(s) of the Licensee, have**
1740 **committed any unlawful act as described in this Chapter or violated any**
1741 **ordinance of the City or any state law on the premises or have permitted**
1742 **such a violation on the premises by any person;**
- 1743 **22. The licensee has knowingly permitted or encouraged, or has knowingly**
1744 **and unreasonably failed to prevent a public nuisance within the meaning**
1745 **of this Chapter from occurring or in or about the licensed premises;**
- 1746 **23. The odor of cannabis is perceptible to an ordinary person at the exterior**
1747 **of the building at the licensed premises or is perceptible within any space**
1748 **adjoining the licensed premises;**
- 1749 **24. The licensee knowingly permitted or allowed the consumption of**
1750 **cannabis on the licensed premise;**
- 1751 **25. The licensee knowingly permitted the possession or consumption of an**
1752 **alcohol beverage within the licensed premises. At any hearing for**
1753 **violation of this subsection, any bottle, can, or other container label**
1754 **indicating the contents of such bottle, can, or other container, shall be**
1755 **admissible into evidence and shall be prima facie evidence that the**
1756 **contents of the bottle, can, or other container was composed in whole or**
1757 **in part an alcohol beverage;**
- 1758 **26. The licensee has failed to appear upon a Municipal Court summons;**

- 1759 **27. The licensee, or any of the officer(s), director(s), owner(s), manager(s),**
1760 **agent(s), or employee(s) has(have) been convicted of a felony or drug**
1761 **related criminal offense within the previous 12 months;**
- 1762 **28. The licensee engaged in any form of business or commerce involving the**
1763 **cultivation, processing, manufacturing, storage, sale, distribution,**
1764 **transportation, testing, research or consumption of any form of cannabis**
1765 **or cannabis product other than the privileges granted under the regulated**
1766 **cannabis business license;**
- 1767 **29. The licensee has materially or substantially, changed, altered, or modified**
1768 **the licensed premises, or use of the licensed premises, without obtaining**
1769 **prior approval to make such changes, alterations, or modifications from**
1770 **the Authority;**
- 1771 **30. The licensee has failed to maintain a valid state license; and,**
- 1772 **31. The licensee, or any of the agent(s), servant(s) or employee(s) of the**
1773 **licensee has/have violated any ordinance of the City or any state or**
1774 **federal law on the premises or have permitted such a violation on the**
1775 **premises by any other person.**
- 1776 **(c) Evidence to support a finding of a violation(s) may include, without**
1777 **limitation, one or a combination of the following;**
- 1778 **1. A continuing pattern of disorderly conduct, disturbance(s) or criminal**
1779 **activity occurring at the location, on the licensed premises, within the**
1780 **licensed premises, or any adjoining grounds or property under the**
1781 **control or management of the licensee;**
- 1782 **2. An ongoing nuisance condition emanating from or caused by the**
1783 **regulated cannabis business.**
- 1784 **(d) In the event a business or Licensee is charged with violation of any law, upon**
1785 **which a final judgment would be grounds for suspension or revocation of a**
1786 **license, the City may suspend the license pending the resolution of the**
1787 **alleged violation.**
- 1788 **(e) If the City revokes or suspends a license, the regulated cannabis business**
1789 **may not move any cannabis from the premises except under the supervision**
1790 **of the Grand Junction Police Department.**
- 1791 **(f) The Authority shall conduct a review of all licenses at least annually and, in**
1792 **addition to examining the factors enumerated in this subsection, may hold a**
1793 **hearing on each license at which the general public may be invited to appear**
1794 **and provide testimony as to the effects of the license on the surrounding**

1795 community and the City at large, and the Authority may take such views into
1796 consideration when deciding whether to continue or renew such license.

1797 (g) In the event of the suspension of a regulated cannabis business license,
1798 during the period of suspension, the business:

1799 1. Shall post two notices provided by the Authority, in conspicuous places,
1800 one on the exterior and one on the interior of its premises for the duration
1801 of the suspension; and

1802 2. Shall not sell or otherwise distribute or transport cannabis, nor allow any
1803 customers into the licensed premises.

1804 **5.13.041 Operational Standards.**

1805 All regulated cannabis businesses shall comply with the applicable state and
1806 local laws, rules and regulations, as amended. In addition, Licensees shall
1807 comply with the following local operational standards. Failure to comply with any
1808 State or local law, rule or regulation or any operational standard(s) may be
1809 grounds to suspend or revoke any license and impose civil penalties where
1810 applicable.

1811 (a) Odor management – ventilation required. For all cannabis businesses,
1812 ventilation shall be installed so that the odor of cannabis cannot be
1813 detected by a person with a normal sense of smell at the exterior of a
1814 regulated cannabis business or at any adjoining use or property.

1815 (b) Hours of operation. A regulated cannabis business shall be closed to the
1816 public, and no sale or other distribution of cannabis shall occur upon the
1817 premises between the hours of 12 a.m. and 8 a.m. Provided, however, in the
1818 event that a planned delivery of cannabis cannot be completed on the day
1819 scheduled, the cannabis may be returned to the business.

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1820 (c) Display of licenses required. The name and contact information for the
1821 owner or owners and any manager of the regulated cannabis business, the
1822 regulated cannabis business license, and the sales tax business license
1823 shall be conspicuously posted inside the business near the main entrance.

1824 (d) Owner or manager required on premises. No regulated cannabis business
1825 shall be managed by any person other than the Licensee, or the manager
1826 listed on the application for the license or a renewal thereof. Such Licensee
1827 or manager shall be on the premises and responsible for all activities within
1828 the licensed business during all times when the business is open or in the
1829 possession of another person.

1830 **5.13.042 Records.**

1831 (a) Each Licensee shall keep a complete set of books of account, invoices,
1832 copies of orders and sales, shipping instructions, bills of lading, weigh
1833 bills, correspondence, bank statements, including cancelled checks and
1834 deposit slips, and all other records necessary to show fully the business
1835 transactions of such Licensee. Receipts shall be maintained in a
1836 computer program or by pre-numbered receipts and used for each sale.
1837 The records of the business shall clearly track regulated cannabis
1838 product inventory purchased and sales and disposal thereof to clearly
1839 track revenue from sales of any regulated cannabis from other
1840 paraphernalia or services offered by the regulated cannabis business.

1841 (b) All records shall be open at all times during business hours for the
1842 inspection and examination of the City or its duly authorized
1843 representatives.

1844 (c) The City shall require any Licensee to furnish such information as it
1845 considers necessary for the proper administration of this Chapter. The
1846 records shall clearly show the source, amount, price, and dates of all
1847 cannabis received or purchased, and the amount, price, dates, customer
1848 names, addresses, and contact information for all regulated cannabis
1849 sold.

1850 (d) By applying for a regulated cannabis business license, the Licensee is
1851 providing consent to disclose the information required by this Chapter,
1852 including information about customers. Any records provided by the
1853 Licensee that includes customer confidential information may be
1854 submitted in a manner that maintains the confidentiality of the documents
1855 under the Colorado Open Records Act, § 24-72-201, *et seq.*, C.R.S., or
1856 other applicable law. Any document that the Applicant considers eligible
1857 for protection under the Colorado Open Records Act shall be clearly
1858 marked as confidential, and the reasons for such confidentiality shall be
1859 stated on the document. In the event that the Licensee does appropriately
1860 submit documents so as not to be disclosed under the Colorado Open
1861 Records Act, the City shall not disclose it to other parties who are not
1862 agents of the City, except law enforcement agencies. If the City finds that
1863 such documents are subject to inspection, it will provide at least 24-hour
1864 notice to the Applicant prior to such disclosure.

1865 **5.13.043 Audits and inspection.**

1866 (a) The City may require an audit to be made of the books of account and
1867 records of a regulated cannabis business on such occasions as it may
1868 consider necessary. Such audit may be made by an auditor to be selected
1869 by the City that shall likewise have access to all books and records of the
1870 regulated cannabis business. The expense of any audit determined
1871 necessary by the City shall be paid by the regulated cannabis business.

1872 (b) Application for regulated cannabis business license or operation of a
1873 regulated cannabis business, or leasing property to a regulated cannabis
1874 business, constitutes consent by the Applicant, and all owners,
1875 managers, and employees of the business, and the owner of the property
1876 to permit the Authority or agent of the Authority, or anyone authorized to
1877 conduct routine inspections of the regulated cannabis business to
1878 ensure compliance with this Chapter or any other applicable law, rule, or
1879 regulation. The owner or manager on duty shall retrieve and provide the
1880 records of the business pertaining to the inspection. For purposes of
1881 Rule 241 of the Colorado Rules of Municipal Procedure, inspections of
1882 regulated cannabis businesses and recordings from security cameras in
1883 such businesses are part of the routine policy of inspection and
1884 enforcement of this Chapter for the purposes of protecting the public
1885 safety, individuals operating and using the services of the regulated
1886 cannabis business, and the adjoining properties and neighborhood. This
1887 section shall not limit any inspection authority authorized under any
1888 other provision of law or regulation, including those of police, fire,
1889 building, and code enforcement officials. Application for a regulated
1890 cannabis business license constitutes consent to inspection of the
1891 business as a public premises without a search warrant, and consent to
1892 seizure of any surveillance records, camera recordings, reports, or other
1893 materials required as a condition of a regulated cannabis license without
1894 a search warrant.

1895 (c) Initial inspection. The City may inspect any regulated cannabis
1896 businesses prior to final issuance of a license to verify that the facilities
1897 are constructed and can be operated in accordance with the Application
1898 submitted and the requirements of laws.

1899 (d) Regular inspections. The City is authorized to perform regular
1900 inspections on a quarterly basis during the first year following licensure,
1901 and on a yearly basis prior to license renewal following the first year of
1902 operation.

1903 (e) Random inspections. Regular licensing inspection(s) shall not prevent
1904 the City from inspecting regulated cannabis businesses at random
1905 intervals and without advance notice.

1906 (f) Inspection of records. The records to be maintained by each regulated
1907 cannabis business shall include the source and quantity of any cannabis
1908 distributed, produced, or possessed within the premises. Such reports
1909 shall include, without limitation, for both acquisitions from wholesalers
1910 and transactions to patients or caregivers, the following:

1911 1. Name and address of seller or purchaser;

1912 **2. Date, weight, type of cannabis, and monetary amount or other**
1913 **consideration of transaction;**

1914 **3. For wholesaler transactions, the state and City, if any, sales and**
1915 **use tax license number of the seller.**

1916 **(g) Disposal of regulated cannabis and cannabis byproducts. All regulated**
1917 **cannabis and any product containing a usable form of cannabis must be**
1918 **made unusable and unrecognizable prior to removal from the business in**
1919 **compliance with all applicable laws. This provision shall not apply to**
1920 **licensed law enforcement, including without limitation, the Grand**
1921 **Junction Police Department and the Grand Junction Fire Department.**

1922 **(h) The manager of a regulated cannabis business is required to respond by**
1923 **telephone or email within 24 hours of contact by a City official concerning**
1924 **its cannabis business at the telephone number or email address provided**
1925 **to the City as the contact for the business. Each 24-hour period during**
1926 **which an owner or manager does not respond to the City official shall be**
1927 **considered a separate violation.**

1928 **5.13.044 Modification of premises.**

1929 **(a) Any modification of the licensed premises shall be governed by the**
1930 **standards and procedures set forth in the Colorado Marijuana Code, this**
1931 **Chapter, and any regulations adopted pursuant thereto.**

1932 **(b) The Authority shall administer applications to modify the premises in the**
1933 **same manner as the state licensing authority administers changes of**
1934 **location and modifications of premises for state licenses.**

1935 **(c) Any application for a proposed modification of the licensed premises shall**
1936 **comply with and shall be subject to review and approval of the Building**
1937 **Departments and any other agency that is required to approve such**
1938 **modification.**

1939 **5.13.045 Renewals.**

1940 **(a) A regulated cannabis business license issued pursuant to this Chapter shall**
1941 **be valid for one year from the date of issuance and shall automatically expire**
1942 **on the last day of the month in which the License is issued of the year**
1943 **following issuance or renewal of the License.**

1944 **(b) During the term of the License, the Licensee shall have the ongoing**
1945 **obligation to:**

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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 identified in the license application which were submitted to and approved by the Authority with the application or an earlier renewal, the renewal or modification of the premises application shall include specifics of the changes or proposed 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.

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- (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 City may hold a hearing pursuant to § 5.13.031 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 Licensees 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.**
- 5.13.046 Compliance monitoring.**

- 2033 (1) The City shall monitor compliance with this Chapter, as it deems
2034 appropriate.
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- 2036 (2) The City shall have the discretion to consider any or all previous
2037 compliance check histories of a Licensee in determining how frequently
2038 to conduct compliance checks of a Licensee with respect to any
2039 licensee(s).
2040
- 2041 (3) Compliance checks shall be conducted as the City determines
2042 appropriate so as to allow the City to determine, at a minimum, if the
2043 regulated cannabis business is conducting business in a manner that
2044 complies with law.
2045
- 2046 (4) It shall not be a violation of the law for a person under the minimum sale
2047 age for cannabis purchases or possession to purchase or possess
2048 cannabis products if the underage person is participating in a
2049 compliance check supervised by any person authorized by the City or
2050 the State of Colorado to conduct compliance monitoring.
2051

2052 **5.13.047 Sales tax.**

2053 Each regulated cannabis business shall collect and remit City sales and
2054 use tax on all regulated cannabis, paraphernalia and other tangible property used
2055 or sold at the licensed premises as provided by the Grand Junction Municipal
2056 Code and other applicable law.

2057 **5.13.048 Violations and Penalties.**

- 2058
- 2059 (a) The Authority shall hear all actions relating to the suspension or
2060 revocation of licenses pursuant to this Chapter. The Authority shall
2061 have the authority to impose disciplinary actions, sanctions, penalties
2062 upon a Licensee including but not limited to additional terms and
2063 conditions on the license, a fine in lieu of a suspension, a suspension or
2064 a revocation of a license issued by the Authority for any violation by
2065 the Licensee or by any of the agents or employees of the Licensee of
2066 any provision of the Colorado Marijuana Code, the City's Code, any rule
2067 or regulation adopted pursuant thereto, any building, fire, health or
2068 zoning statute, code, or ordinance, or any of the rules and regulations
2069 adopted pursuant thereto, in addition to any other penalties prescribed
2070 by this Code.
2071
- 2072 (b) In addition to the possible denial, suspension, revocation or nonrenewal
2073 of a license under the provisions of this Chapter, any person, including

2074 but not limited to, any Licensee, manager or employee of a regulated
2075 cannabis business, or any customer of such business, who violates any
2076 of the provisions of this Chapter, shall be guilty of a misdemeanor
2077 offense punishable in accordance with § 1.04.090 of this Code. A person
2078 committing a violation shall be guilty of a separate offense for each and
2079 every day during which the offense is committed or continued to be
2080 permitted by such person and shall be punished accordingly.

2081
2082 (c) The City shall commence suspension or revocation proceedings by
2083 petitioning the Authority to issue an order to the Licensee to show
2084 cause that the Licensee's license should not be suspended or revoked.
2085 The Authority shall issue such an order to show cause if the petition
2086 demonstrates that evidence exists to determine that one or more
2087 grounds exist to suspend or revoke the Licensee's license. The order to
2088 show cause shall set the matter for a public hearing before the
2089 authority.

2090
2091 (d) The City Manager shall give written notice of the public hearing no later
2092 than fifteen days prior to the hearing by mailing, either electronically or
2093 by first class mail, the notice to the Licensee at the address contained in
2094 the Licensee's license. At the hearing, the Licensee shall have the
2095 opportunity to be heard, to present evidence and witnesses, and to
2096 cross examine witnesses presented by the City. The Authority shall
2097 have the power to administer oaths and issue subpoenas to require the
2098 presence of persons and the production of papers, books, and records
2099 necessary to the determination of any hearing that the Authority is
2100 authorized to conduct. The standard of proof at such hearings shall be a
2101 preponderance of the evidence. The burden of proof shall be upon the
2102 City. The Authority shall be permitted to accept any evidence that the
2103 Hearing Officer finds to be relevant to the show cause proceeding.

2104
2105 (e) If the Authority finds that a violation has occurred, the Authority may:

- 2106 (1) Revoke the license for any period up to and including permanent
2107 revocation;
- 2108
2109 (2) Suspend the license for any period of time; (6 months?)
- 2110
2111 (3) Impose a fine or fine in lieu of suspension of at least \$500.00 but
2112 no more than \$100,000.00;
- 2113
2114 (4) Establish conditions that must be met before the license holder
2115 may apply for reinstatement of the license; and,
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(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 a matrix of steps for fine amounts. These 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) 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) 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) 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) 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.**

2160 (m) No fee or portion thereof previously paid by a Licensee in connection
2161 with a license shall be refunded if the licensee's license is suspended
2162 or revoked.

2163
2164 **5.13.049 Remedies.**

2165
2166 **The City is specifically authorized to seek an injunction, abatement, restitution, or**
2167 **any remedy necessary to prevent, enjoin, remove or prosecute any violation or**
2168 **unlawful act under this Chapter, and any remedies provided for herein shall be**
2169 **cumulative and not exclusive and shall be in addition to any other remedies**
2170 **provided by law or in equity. Any and all action(s) shall be filed in the Municipal**
2171 **Court.**

2172
2173 **5.13.050 No City liability; indemnification.**

2174
2175 (a) **By accepting a license issued pursuant to this Chapter, the Licensee**
2176 **waives and releases the City, its officers, elected officials, employees,**
2177 **attorneys and agents from any liability for injuries, damages or liabilities of**
2178 **any kind that result from any arrest or prosecution of business owners,**
2179 **operators, employees, clients or customers for a violation of state or**
2180 **federal laws, rules or regulations.**

2181
2182 (b) **By accepting a license issued pursuant to this Chapter, all Licensees,**
2183 **jointly and severally if more than one (1), agree to indemnify, defend and**
2184 **hold harmless the City, its officers, elected officials, employees, attorneys,**
2185 **agents and insurers against all liability, claims and demands on account of**
2186 **any injury, personal injury, sickness, disease, death, property loss or**
2187 **damage, or any other loss of any kind whatsoever arising out of or in any**
2188 **manner connected with the operation of the regulated cannabis business**
2189 **that is the subject of the license.**

2190
2191 **5.13.051 Severability.**

2192
2193 **This chapter is necessary to protect the public health, safety, and welfare of the**
2194 **residents of the City and covers matters of local concern or matters of mixed**
2195 **State and local concern as provided by § [44-11-101](#), C.R.S.**

2196 **If any provision of this chapter is found to be unconstitutional or illegal, such**
2197 **finding shall only invalidate that part or portion found to violate the law. All other**
2198 **provisions shall be deemed severed or severable and shall continue in full force**
2199 **and effect.**

2200 **5.13.052 Administrative regulations; Action by City Council.**

2201

2202 (a) The City Manager is authorized to promulgate such rules, regulations, and
2203 forms as are necessary to effectuate the implementation, administration
2204 and enforcement of this Chapter.

2205
2206 (b) The City Council may consistent with the Charter and other applicable law
2207 amend this Chapter in order to stay current with applicable state laws,
2208 rules and regulations so long a no amendment, restriction, provision, rule
2209 or regulation shall be no less stringent than that imposed, if at all by
2210 Colorado law.

2211
2212 Introduced on first reading the _____ day of _____,
2213 2022 and ordered published in pamphlet form.

2214
2215 Adopted on second reading this ____ day of _____ 2022 and ordered published in
2216 pamphlet form.

2217
2218
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2220 ATTEST: _____
2221 Chuck McDaniel
2222 President of City Council

2223
2224 _____
2225 Laura J. Bauer, Interim City Clerk
City Clerk

DRAFT