

**TOWN OF PALMER LAKE, COLORADO**

**ORDINANCE NO. 17-2022**

**EMERGENCY AN ORDINANCE AMENDING TITLE 5 OF THE PALMER LAKE TOWN CODE BY ADDING A NEW CHAPTER, CHAPTER 5.21, ESTABLISHING REGULATIONS TO PERMIT THE OPERATION OF TWO REGULATED RETAIL MARIJUANA STORES IN EXISTING MARIJUANA BUSINESS LOCATIONS WITHIN THE TOWN OF PALMER LAKE**

**WHEREAS**, on November 6, 2012 the voters of the State of Colorado approved Amendment 64 adding Section 16 to Article XVIII of the Colorado Constitution a limited exemption from criminal liability under Colorado law for people 21 and over to possess and cultivate marijuana for recreational use, and to establish the licensing and regulation of marijuana establishments in a manner similar to alcohol as described in Amendment 64; and,

**WHEREAS**, the Palmer Lake Board of Trustees (the "Board of Trustees") subsequently passed Regulations in Title 5 of the Town Code relating to the licensing and regulation of marijuana establishments pursuant to the authority granted by Article XVIII, Section 16 of the Colorado Constitution, allowing for medical marijuana facilities but not retail marijuana facilities; and,

**WHEREAS**, the Board of Trustees submitted to the Voters of the Town of Palmer Lake asking the Voters of the Town whether they want to permit up to two marijuana stores in existing marijuana business locations; and,

**WHEREAS**, the Voters voted in favor of permitting such retail marijuana stores.

**NOW THEREFORE BE IT ORDAINED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE, COLORADO AS FOLLOWS:**

1. Title 5 of the Town of Palmer Lake Municipal Code is hereby amended by adding a new Chapter, Chapter 5.21, with such to read in its entirety as indicated in the attached Exhibit A to this Ordinance.
2. The requirements of Section 5.20.030(e)(2), requiring the review of the application for zoning compliance, land use regulations and limitation on the locations, shall not be applicable to the licenses issued pursuant to the new Chapter, Chapter 5.21.
3. Severability. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Town Board of Trustees hereby declares that it would have passed this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

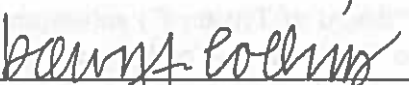
3. Repeal. Existing ordinances or parts of ordinances covering the same matters as embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this ordinance.


4. Publication and Effective Date. This Ordinance is necessary for the immediate protection and preservation of the public health, safety, and welfare of the citizens of the Town of Palmer Lake for the reasons described above, and therefore, shall become effective immediately as an emergency ordinance upon adoption by the Board of Trustees.

**INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE ON THIS 8TH DAY OF - DECEMBER 2022.**

ATTEST:

TOWN OF PALMER LAKE, COLORADO

  
\_\_\_\_\_  
Dawn A. Collins  
Town Administrator/Clerk

BY:   
\_\_\_\_\_  
William Bass  
Mayor

## **Chapter 5.21 RETAIL MARIJUANA ESTABLISHMENT REGULATIONS AND LICENSING**

### **5.21.010 Findings and legislative intent.**

Section 16 of Article XVIII of the Colorado Constitution and Article 43.4 of Title 12, C.R.S. vests the Town Board with the option to determine whether to license retail marijuana establishments within the boundaries of the Town. The purpose of this chapter is to authorize such licensing for retail marijuana establishments and to regulate such retail marijuana establishments in the Town pursuant to the requirements of this chapter. This chapter is intended to exercise the authority granted by Section 16 of Article XVIII of the Colorado Constitution and the Colorado Retail Marijuana Code for the Town to adopt licensing requirements that are supplemental to and/or stricter than, the requirements set forth in state law. The purpose of this chapter is to license and regulate retail marijuana establishments in the interest of public health, safety, and general welfare of the community. Except as otherwise specifically provided herein, this chapter incorporates the requirements and procedures set forth in the Colorado Retail Marijuana Code. In the event of any conflict between the provisions of this chapter and the provisions of the Colorado Retail Marijuana Code or any other applicable state or local law, the more restrictive provision shall control.

### **5.21.020 Legal authority.**

Town Board hereby finds, determines and declares that it has the power to adopt this chapter pursuant to:

- A. The Local Government Land Use Control Enabling Act, Article 20 of Title 29, C.R.S.;
- B. Part 3 of Article 23 of Title 31, C.R.S. (concerning municipal zoning powers);
- C. Section 31-15-103, C.R.S. (concerning municipal police powers);
- D. Section 31-15-401, C.R.S. (concerning municipal police powers);
- E. Section 31-15-501, C.R.S. (concerning municipal authority to regulate businesses);
- F. Section 16 of Article XVIII of the Colorado Constitution;
- G. The Colorado Retail Marijuana Code, Article 43.4 of Title 12, C.R.S.

### **5.21.030 Definitions.**

A. As used in this chapter, the following words shall have the following meanings:

"Amendment 64" means a voter-initiated amendment to the Colorado Constitution adopted November 6, 2012, codified as Section 16 of Article XVIII of the Colorado Constitution.

"Applicant" means a person who has submitted a complete application for a license to operate a retail marijuana establishment pursuant to this chapter.

"Application" means an application for a license submitted pursuant to this chapter.

"Authority" or "local licensing authority" means the Palmer Lake Marijuana Licensing Authority.

"Town clerk" means the Town clerk or deputy Town clerk.

"Colorado Retail Marijuana Code" means Article 43.4 of Title 12 of the Colorado Revised Statutes, inclusive of rules and regulations promulgated thereunder, and as the same may be amended from time to time.

"Crime of violence" shall have the same meaning as set forth in Section 18-1.3-406, C.R.S., whether committed in Colorado or another state.

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"Cultivation" means the process by which a person promotes the germination and growth of a seed to a mature marijuana plant. Cultivation does not include the storing or watering of mature marijuana plants without the aid of grow lighting.

"Day" means a calendar day, unless otherwise indicated.

"Good cause" means and includes:

1. The licensee has violated, does not meet or has failed to comply with any of the terms, conditions or provisions of this chapter and any rule and regulation promulgated pursuant to this chapter or the Colorado Retail Marijuana Code;
2. The licensee has failed to comply with any special terms or conditions that were placed on its license at the time the license was issued pursuant to an order of the Colorado Department of Revenue or local licensing authority; or
3. The licensee's retail marijuana establishment has been operated in a manner that adversely affects the public health, welfare or safety of the immediate neighborhood in which the retail marijuana establishment is located.

"Good moral character" means an individual with a personal history demonstrating honesty, fairness, and respect for the rights of others and for the law in accordance with the provisions of C.R.S. Section 24-5-101(2).

"License" means a license to operate a retail marijuana establishment issued pursuant to this chapter.

"Licensee" means a person licensed pursuant to this chapter and the Colorado Retail Marijuana Code.

"Marijuana" shall have the same meaning as set forth in Section 9.40.010 of this code.

"Marijuana accessories" shall have the same meaning as set forth in Section 9.40.010 of this code.

"Operating fees" means fees that must be paid by a licensee for the costs of administering and enforcing this chapter as set forth in Amendment 64, or as may be more fully defined in the Colorado Retail Marijuana Code.

"Party in interest" means a person allowed to present evidence and to cross-examine witnesses at public hearings pertaining to retail marijuana license applications. Only the following persons may be a party in interest:

1. The applicant;
2. An adult who resides within the corporate limits of the Town of Palmer Lake;
3. An owner or manager of a business located within the corporate limits of the Town of Palmer Lake.

"Person" means a natural person, partnership, association, company, corporation, limited liability company, or organization; except that "person" does not include any governmental organization.

"Retail marijuana cultivation facility" means an entity licensed to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities and to other marijuana cultivation facilities, but not to consumers in accordance with Amendment 64, the Colorado Retail Marijuana Code, and this chapter.

"Retail marijuana establishment" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana product manufacturing facility, or a retail marijuana testing facility as set forth in Section 16 of Article XVIII of the Colorado Constitution or as may be more fully defined in the Colorado Retail Marijuana Code.

"Retail marijuana product manufacturing facility" means an entity licensed to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers, in accordance with Amendment 64, the Colorado Retail Marijuana Code, and this chapter.

"Retail marijuana store" means an entity licensed to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell

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marijuana and marijuana products to consumers, in accordance with Amendment 64, the Colorado Retail Marijuana Code, and this chapter.

"Retail marijuana testing facility" means an entity licensed to analyze and certify the safety and potency of marijuana in accordance with Amendment 64, the Colorado Retail Marijuana Code, and this chapter.

"School" means a public or private preschool or a public or private elementary, middle, junior high, high school, or institution of higher education.

"State licensing authority" means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale, and testing of marijuana in Colorado, pursuant to C.R.S. Section 12-43.4-201.

"Youth and family prevention business" means a public or private business established to prevent substance abuse and promote healthy family functioning.

B. In addition to the definitions provided in subsection A above, the other defined terms in Amendment 64 and the Colorado Retail Marijuana Code are incorporated into this chapter by reference.

#### **5.21.040 Local licensing authority.**

In addition to the powers of the authority set forth in Chapter 5.40 of the code, the authority shall have the following powers and authority:

- A. The authority shall have the power to require any applicant or licensee to furnish any relevant information required by the authority.
- B. The authority shall have the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books and records at any hearing that the authority is authorized to conduct. The authority may adopt public hearing procedures by resolution.
- C. The authority shall possess all powers given to local licensing authorities by the provisions of the Colorado Retail Marijuana Code and rules and regulations promulgated thereunder. For the purpose of regulating the operation of retail marijuana establishments, the authority in its discretion, upon application in the prescribed form, may approve, conditionally approve, or deny an applicant a local license for a retail marijuana establishment, subject to the provisions and restrictions provided in this chapter, Section 16 of Article XVIII of the Colorado Constitution and the Colorado Retail Marijuana Code.
- D. Any decision made by the authority to approve, conditionally approve, or deny a license application, to revoke or suspend a license, or to renew or not renew a license shall be a final decision which may be appealed to the District Court pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure. No defense or objection may be presented for judicial review unless it is first presented to the authority prior to the effective date of the authority's decision.

#### **5.21.050 License required for retail marijuana establishment.**

- A. No person shall operate a retail marijuana establishment within the Town without a valid license issued for a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana product manufacturing facility, or a retail marijuana testing facility in accordance with this chapter.
- B. Except as expressly modified herein, any requirements set forth in this chapter shall be in addition to, and not in lieu of, any other requirements imposed by any state or local law.
- C. The issuance of any license pursuant to this chapter does not create an exception, defense, or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution, or possession of marijuana.

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### 5.21.060 Application for license.

- A. The Town shall not accept an application for a local marijuana establishment license unless and until the Town has received from the Colorado Marijuana Enforcement Division a copy of the applicant's application for a state retail marijuana establishment license for the proposed licensed premises and one-half of the state license application fee, which shall constitute the local license application fee.
- B. After the Town has received a copy of the state application and the local license application fee, an applicant seeking to obtain a license pursuant to this chapter may file an application for a local license by appointment with the Town clerk at Town offices between the hours of 8:00 a.m. to 5:00 p.m. on regular Town business days. The form of the application, approved by the Town attorney, shall be provided by the Town and shall include all information required by this chapter and any additional information requested by the Town clerk if such information, in his or her opinion, is reasonably necessary to complete the investigation and review of the application.
- C. At the time of application, the applicant shall pay a non-refundable consultant reimbursement fee to defray the costs incurred by the Town for background investigations, legal review, and any other third-party consultant costs incurred by the Town in processing of the application.
- D. At the time of application, each applicant shall present a suitable form of identification and the following information, which information may be required for the applicant, the proposed manager of the retail marijuana establishment, and all persons having a financial interest in the business that is the subject of the application or, if applicant is an entity, holding any ownership interest in the issued and outstanding capital stock or other ownership interest of the entity:
  - 1. Name, address, and date of birth of the owner(s) and any managers of the applicant.
  - 2. If the owner is a corporation, partnership, limited liability company, or other business entity, the name(s), social security number(s), and address(es) of any officer or director of the entity and of any person holding any of the issued and outstanding capital stock or other ownership interest in the entity.
  - 3. A completed set of the fingerprints of each person specified in subsections (D)(1) and/or (D)(2) of this section.
  - 4. A statement of whether or not any person holding any ownership interest in the proposed retail marijuana establishment has:
    - a. Been denied an application for a medical marijuana establishment license or retail marijuana establishment license by the state or any other local jurisdiction in the state, or has had such a license suspended or revoked; and
    - b. Been convicted of a felony or has completed any portion of a sentence due to a felony charge within the preceding five years.
  - 5. Proof that the applicant has paid all application and other applicable fees.
  - 6. If applicant is a business entity, information regarding the entity, including, without limitation, the name and address of the entity, its legal status, and proof of registration with, or a certificate of good standing from, the Colorado Secretary of State, as applicable;
  - 7. An acknowledgement and consent that the Town may conduct a background investigation, including a criminal history check, and that the Town will be entitled to full and complete disclosure of all financial records of the applicant, including records of deposit, withdrawals, balances, and loans.
  - 8. A copy of any deed reflecting the applicant's ownership of, or lease reflecting the right of applicant to possess, the proposed licensed premises.
  - 9. If the applicant is not the owner of the proposed licensed premises, a notarized statement from the owner of such property authorizing the use of the property for a retail marijuana establishment and

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authorizing the Town to enter the property for inspection of the proposed licensed premises on a form approved by the Town.

10. Evidence of a valid Town and state sales tax license for the business.
  11. Proof that the proposed retail marijuana establishment will be located in a location that permits such land use under this chapter and other applicable provisions of this code.
  12. An area map, drawn to scale, indicating, within a radius of one-quarter mile from the boundaries of the property upon which the retail marijuana establishment is proposed to be located, the distance between the nearest property line of the land used for any school or youth and family prevention business and the nearest portion of the building in which the retail marijuana establishment is proposed to be located, measured in feet. If the application seeks licensure for a retail marijuana store, the map shall also indicate, within a radius of one-quarter mile from the boundaries of the property upon which the retail marijuana store is proposed to be located, the distance between the nearest property line of land for which any retail marijuana store license has been approved or issued and the nearest portion of the building in which the retail marijuana store that is the subject of the application is proposed to be located, measured in feet.
  13. A "to scale" diagram of the proposed licensed premises, no larger than eleven (11) inches by seventeen (17) inches, showing, without limitation, building layout, all interior dimensions of the proposed licensed premises, including all limited access areas, areas of ingress and egress from the proposed licensed premises, loading zones, all areas in which marijuana will be grown, stored, manufactured, processed, tested, and/or sold, and location(s) of all security cameras. Such diagram shall also show the principal uses of the floor area depicted therein, and shall include separate pages for each floor level if applicable.
  14. A comprehensive business operation plan for the retail marijuana establishment that shall contain, at a minimum, the following:
    - a. A security plan indicating how the applicant intends to comply with the requirements of this chapter, the Colorado Retail Marijuana Code, and any other applicable law, rule or regulation as adopted and amended. The security plan shall include specialized details of security arrangements.
    - b. A description of the products and services to be provided and/or sold by the retail marijuana establishment.
    - c. A plan for exterior signage that complies with all applicable requirements of this code, including photographs and/or illustrations of proposed signage.
  15. Any additional information that the authority reasonably determines to be necessary in connection with the investigation and review of the application.
- E. A license issued pursuant to this chapter does not eliminate the need for the licensee to comply with other provisions of this code and to obtain other required Town licenses and licenses related to the operation of the approved retail marijuana establishment, including, without limitation:
1. Any required land use approval, if applicable;
  2. A Town business and sales tax license; and
  3. Any building permits, including mechanical, plumbing, or electrical permits.

#### **5.21.070 Co-location with medical marijuana businesses.**

- A. Pursuant to Section 12-43.4-104, C.R.S., certain medical marijuana licensees or applicants qualified to receive a state license may, on or after October 1, 2013, either apply for a retail marijuana establishment license in addition to their medical marijuana license, convert their medical marijuana license to a retail marijuana

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establishment license, or apply for a retail marijuana establishment license and surrender their medical marijuana license when the retail marijuana establishment license is issued.

- B. A person who holds both a license pursuant to Article 43.3 of Title 12, C.R.S. and a license for a retail marijuana establishment may operate both licenses in the same premises ("dual operation") provided they meet the requirements of the Colorado Retail Marijuana Code and this code.

**5.21.080 Fees.**

- A. Initially the Town Board is setting the fee for a new application for a license issued pursuant to this Chapter at \$2,500.00 and the license fee for recreational at \$2,000.00. The Town Board shall then be authorized to adjust these fees by resolution the amount of the application fee, as well as fees for consultant reimbursement, licensing, operations (including but not limited to building inspection and re-inspection fees), renewals, late filing, transfers of ownership, changes of location, and all other fees necessary for the administration, regulation, and implementation of this chapter.
- B. At least annually, the Town Board may review the amount of fees charged pursuant to this chapter and, if necessary, may adjust such fees to reflect the direct and indirect costs incurred by the authority and the Town in connection with the administration and enforcement of this chapter, including costs of unannounced compliance checks. The Board shall adjust such fees by resolution.

**5.21.090 Investigation of application.**

Upon receipt of an application for a retail marijuana establishment license, transfer of ownership, or change of location, the Town clerk shall determine whether the application is complete and notify the applicant in writing of any deficiencies. Upon receipt of a properly completed application, together with all information required in connection therewith and the payment of all fees as required by this chapter, the Town clerk shall circulate copies of the application to the administrative services department, the police department, the fire department, the building official and to any other Town department the clerk deems necessary in order to determine whether the proposed facility is or will be in compliance with any and all applicable local laws, rules and regulations. License applications shall be processed in order of submittal date of a complete application.

**5.21.100 Maximum number of retail marijuana establishments.**

- A. Each class of retail marijuana establishment located and operating within the Town shall be limited in number as follows:
  - 1. Retail marijuana store: No more than two licenses;
  - 2. Retail marijuana cultivation facility: No more than two licenses;
  - 3. Retail marijuana products manufacturing facility: No more than two licenses;
  - 4. Retail marijuana testing facility: No more than two licenses.
- B. The Town clerk shall keep accurate records of the number of licenses issued for each class of retail marijuana establishment. Licenses issued for a medical marijuana establishment and a retail marijuana establishment for dual operation at the same location shall be counted separately for purposes of this section in determining the maximum number of licenses.

**5.21.110 Persons prohibited as licensees and managers.**

- A. It shall be unlawful for any of the following persons to have an ownership or a financial interest in a retail marijuana establishment, and no license provided by this chapter shall be issued to, or held by, and no retail marijuana establishment shall be managed by:
  - 1. Any person until all applicable fees for the license have been paid;



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2. Any person not of good moral character;
  3. Any corporation, partnership, limited liability company, or other entity whose officers, members, partners, directors or stockholders are not of good moral character;
  4. Any natural person who is under twenty-one (21) years of age;
  5. Any person who, in the immediately preceding twelve (12) months had a medical marijuana establishment license or retail marijuana establishment license revoked or suspended by the state, or by a local licensing authority in the Town or any other jurisdiction;
  6. Any person who has been convicted of a felony that is deemed a crime of violence or has completed any portion of a felony sentence within the preceding five years;
  7. A person licensed pursuant to this chapter who, during a period of licensure, or who, at the time of application, has failed to remedy an outstanding delinquency for taxes owed, or an outstanding delinquency for judgments owed to a government;
  8. A sheriff, deputy, police officer, or prosecuting officer, or an officer or employee of the state licensing authority, the authority, or the Town; or
  9. Any other person prohibited as a licensee pursuant to the Colorado Retail Marijuana Code.
- B. All natural persons, corporations, partnerships, limited liability companies, and other entities are prohibited from holding or having a financial interest in more than one local retail marijuana establishment per class of license. This provision shall not apply to any retail marijuana establishment license applications or licenses that the authority approved or issued as of January 20, 2015.

#### **5.21.120 Location restrictions.**

Prior to approving an application for a retail marijuana establishment license, the authority shall determine whether the proposed location of the retail marijuana establishment complies with the requirements of this section and Title 17 of this code. Failure to comply with the requirements of this section shall preclude approval and issuance of a license.

- A. Each retail marijuana establishment shall be operated from a permanent location. No retail marijuana establishment shall be permitted to operate from a moveable, mobile, or transitory location.
  - B. A retail marijuana establishment may be located only on property as allowed pursuant to Title 17 of the Palmer Lake Municipal Code.
  - C. In accordance with Section 12-43.4-104(1)(a)(IV), C.R.S., retail marijuana establishments may be co-located with medical marijuana establishments subject to compliance with this chapter, the Colorado Retail Marijuana Code and all applicable state and local regulations.
  - D. No retail marijuana establishment license, except for a marijuana testing facility, shall be issued for a location within five hundred (500) feet of a school or youth and family prevention business.
  - E. No retail marijuana store may be located within five hundred (500) feet of another retail marijuana store. Notwithstanding this prohibition, nothing in this section shall prohibit retail marijuana establishments of different classes from being located on the same lot, subject to the other provisions of this chapter.
  - F. The foregoing distance requirements shall be computed by direct measurement in a straight line from the nearest property line of the land used for a school or youth and family prevention business or licensed or approved retail marijuana store to the nearest portion of the building in which the retail marijuana establishment that is the subject of the application is proposed to be located.
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### **5.21.130 Public hearing requirement.**

- A. The authority shall approve, deny or conditionally approve an application within ninety (90) days of the receipt of the completed application. Notwithstanding this timeframe, the authority may extend the time in which it must make a decision on an application in order to obtain additional information pertaining to the application or qualifications of the applicant upon written consent of the applicant. A license application shall not be deemed approved if the authority fails to render a decision on such application within the time specified in this subsection A.
- B. Prior to making a decision on an initial application or on an application for a transfer of ownership or change of location, the authority shall hold a public hearing. For a renewal application, the authority may schedule a public hearing if there is evidence in the renewal application documents or other information available to the authority that the renewal should not be granted. The Town clerk shall set the date and time and send written notice of the hearing to the applicant by regular mail, postage prepaid. The authority shall post notice of such public hearing on the proposed premises and shall publish public notice thereof not less than ten (10) days prior to the hearing. Public notice shall be given by the posting of a sign in a conspicuous place on the premises for which application has been made and by publication in a newspaper of general circulation.
- C. Notice given by posting shall include a sign of suitable material, not less than twenty-two (22) inches wide and twenty-six (26) inches high, composed of letters not less than one inch in height and stating the type of license applied for, the date the complete application was filed with the Town, the date of the hearing, and the name and address of the applicant.
- D. Notice given by publication shall contain the same information as that required for signs.
- E. If the building in which the proposed retail marijuana establishment is to occur exists at the time the application is filed, any sign posted as required in this section shall be placed so as to be conspicuous and plainly visible to the general public. If the building is not constructed at the time the application is filed, the applicant shall post the premises upon which the building is to be constructed in such a manner that the notice shall be conspicuous and plainly visible to the general public.
- F. The authority will hear testimony and evidence from parties in interest at the public hearing concerning the following issues:
  - 1. Whether the applicant has violated, does not meet, or has failed to comply with the Colorado Retail Marijuana Code, any rules and regulations promulgated pursuant thereto, or the requirements of this chapter;
  - 2. Whether the issuance of the license will adversely impact the health, safety, or welfare of the residents of the Town; and
  - 3. For applications seeking licensure of any retail marijuana establishment in the same location where any medical or retail marijuana establishment is or has previously been licensed, whether the licensed premises have been previously operated in a manner that adversely affects the public health, safety, or welfare of the residents of the Town.

### **5.21.140 Decision on application.**

- A. The authority may approve an initial application and an application to change location or transfer ownership and may issue a license under this chapter when, after thorough consideration of the application, and from review of such other information as required by this chapter or the Colorado Retail Marijuana Code, the authority determines that the applicant complies with all of the requirements of this chapter and the Colorado Retail Marijuana Code, including the following:
  - 1. The application, including any required attachments and submissions, is complete and signed by the applicant;

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2. The applicant has paid the application fee and any other fees required by this chapter;
  3. The application does not contain a material falsehood or misrepresentation;
  4. The location of the retail marijuana establishment is proposed to be located in a location permitted by this chapter and other applicable provisions of this code;
  5. The criminal history of the applicant, and the applicant's owners, officers, and managers, does not disqualify the applicant from holding a license;
  6. The issuance of the license will not adversely impact the health, safety, or welfare of the residents of the Town in terms of noise, odor, traffic, or other negative impacts; and
  7. The applicant meets or otherwise will meet all the requirements of this chapter and the Colorado Retail Marijuana Code, including but not limited to Section 12-43.4-306, C.R.S., and any rules or regulations promulgated pursuant thereto.
- B. Prior to approving any application for a license or a transfer of ownership, the authority shall make a finding and determination as to the good moral character of the applicant in accordance with the standards and procedures set forth in the Colorado Retail Marijuana Code. In so doing, the authority may incorporate any findings as to good moral character previously made by the state licensing authority. The authority shall not be required to perform a criminal background check: (i) if the state licensing authority has performed a criminal background check on the applicant to the satisfaction of the authority; or (ii) if the authority issues a license conditioned on the completion and successful review of the criminal background check prior to the approval of the license.

In evaluating the good moral character of the individual identified on an application or amendment thereof, the authority shall consider the following:

1. Laws, rules and regulations applicable to evaluation of other types of licenses issued by governments that consider the good moral character of the applicants;
  2. Any findings as to good moral character previously made by the state licensing authority; and
  3. Any additional information the authority may request of the individual if the individual has a history of violation of any laws, or items disclosed by the individual which require additional information in order for the authority to make a determination regarding issuance of the license.
- C. The authority may impose reasonable terms and conditions on a license as may be necessary to protect the public health, safety and welfare, or to ensure compliance with the requirements of this chapter, the Colorado Retail Marijuana Code, or other applicable law.
- D. The decision and the reasons for the decision, as well as any conditions of approval, shall be in writing. The Town clerk shall send a copy of the decision to the applicant by regular mail at the mailing address shown in the application.
- E. The authority shall deny any application for a license that does not comply with this chapter, the Colorado Retail Marijuana Code, or any other applicable state or local law or regulation. The authority may also deny a license when it finds any of the following circumstances exist:
1. The applicant fails to cooperate with the Town during the application phase;
  2. The applicant fails to meet all of the standards set forth in this chapter;
  3. The applicant fails to provide any application materials to the Town in accordance with Section 5.21.060 above;
  4. The applicant provides inaccurate or false information to the Town during the application phase;
  5. The applicant fails to obtain any other required Town license or approval, including but not limited to those required by Section 5.21.060(D) above;
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6. The applicant has violated, does not meet, or has failed to comply with the Colorado Retail Marijuana Code, regulations adopted pursuant thereto, or Town retail marijuana establishment regulations;
  7. The issuance of the license will adversely impact the health, safety, or welfare of the citizens of the Town in terms of noise, odor, traffic, or other negative impacts; or
  8. A medical or retail marijuana establishment operated in the location in question was previously operated in a manner that adversely affected the public health, safety, or welfare of the citizens of the Town.

#### **5.21.150 Inspection of premises; license issuance; commencement of operations.**

- A. After approval of an application and prior to the issuance of a license, the premises proposed to be licensed shall be inspected by the building official and fire chief to determine compliance with the Town's building and technical codes set in the Town code. As a condition of license issuance, the licensee shall pay a non-refundable licensing fee established pursuant to Section 5.21.080. The authority shall not issue a license if the proposed licensed premises does not comply with the Town's building and technical codes as identified by the building official in writing provided to the applicant. Throughout the term of the license, the building official may inspect the licensed premises to determine continuing compliance with the Town's building and technical codes.
- B. An application approval shall expire if the applicant fails to fulfill all conditions and requirements for license issuance by the earlier of either two years from the date of approval of a conditional use permit for the proposed licensed premises or two years from the date of the written decision approving the application. An application with an expired approval shall be deemed null and void, and the Town shall take no further action on such application.
- C. In the event that a retail marijuana establishment does not commence operations within two hundred forty (240) days of issuance of a license from the Town, the license shall be deemed forfeited and the business may not commence operations.

#### **5.21.160 Contents of license.**

- A. A license shall contain the following information:
  1. The name of the licensee;
  2. The date of the issuance of the license;
  3. The address at which the licensee is authorized to operate the retail marijuana establishment;
  4. Any special conditions of approval imposed upon the license by the authority, pursuant to the written notice of decision; and
  5. The date of the expiration of the license.
- B. A license must be signed by the applicant, a designated representative of the authority, and the Town clerk to be valid.

#### **5.21.170 License non-transferable; exceptions; dual licenses.**

- A. A retail marijuana establishment license is not transferable or assignable, including without limitation, not transferable or assignable to a different premise, or to a different owner or licensee, except in accordance with this section. A retail marijuana establishment license is valid only for the owner specifically identified on the license, and the specific location for which the license is issued.
- B. The authority may approve an application to transfer or assign ownership, rights and interests in a license subject to compliance with Section 12-43.4-308, C.R.S. and the provisions of this chapter. An application for any transfer of a retail marijuana establishment license shall contain, at a minimum, all of the information

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and fees required by Sections 5.21.060 (C) and (D) of this chapter and any supplemental information requested in writing by the authority. The Town clerk shall refer a transfer application to the authority for a public hearing provided that notice of the public hearing is posted on the licensed premises in conformance with Section 12-43.4-302, C.R.S., and the applicant has been provided with at least ten (10) days advance notice of the hearing. The authority shall decide whether or not to approve an application to transfer ownership in accordance with the process set forth in Section 5.21.140 of this code. Any attempt to transfer or assign a license in violation of this section voids the license.

- C. A license issued under this chapter shall not preclude the operation of a licensed medical marijuana center, optional cultivation facility, or medical marijuana-infused products manufacturing facility at the same licensed premises for dual operation subject to the requirements of this chapter and the Colorado Retail Marijuana Code.
- D. A licensee of a retail marijuana establishment may change the location of its licensed premises subject to approval of an application for a change in location submitted to the state and the authority and licensee's compliance with the Colorado Retail Marijuana Code and this chapter. The location requirements set forth in Section 5.21.120 of this chapter and the requirements for conformance with current zoning as set forth in this code shall apply to a previously licensed retail marijuana establishment that seeks to change location.

### **5.21.180 Duration of license; renewals; late renewals.**

- A. Each license issued pursuant to this chapter shall be valid for one year from the date of issuance and may be renewed as provided in this section. The license shall expire on the last day of the month in which the license is issued in the year following issuance or renewal of the license.
- B. A licensee shall renew their license issued pursuant to this chapter annually. Any renewal of the license shall be governed by the standards and procedures set forth in the Colorado Retail Marijuana Code, subject to any additional restrictions on renewal as provided in this chapter or promulgated by the authority.
- C. The licensee shall apply for renewal of the retail marijuana establishment license at least forty-five (45) days before the expiration of the license. The licensee shall apply for renewal using forms provided by the Town. If the applicant fails to apply for renewal at least forty-five (45) days before the expiration of the license, but does apply for renewal prior to expiration of the license, the Town may process the renewal application if the applicant submits the late filing fee established pursuant to Section 5.48.080 at the time of submittal of the renewal application.
  - 1. The renewal license fee, and late filing fee if applicable, shall accompany the application. Such fee is nonrefundable.
  - 2. In the event there has been a change to any of the plans identified in the license application, including but not limited to the operating plan or security plan, the renewal application shall include specifics of the changes or proposed changes in any of such plans.
  - 3. The renewal application shall include verification that the retail marijuana establishment has a valid state license issued by the state licensing authority, and that such license is in good standing.
  - 4. A licensee whose license has expired for not more than ninety (90) days may file an expired license renewal application, upon applicant's payment of a late filing fee established pursuant to Section 5.48.080. A licensee who files such application and pays the late filing fee may continue to operate until both the state and the Town have taken final action to approve or deny the late renewal application. If more than ninety (90) days have elapsed since the expiration of a permanent annual license, the licensee must file a new license application.
- D. Failure of the licensee to renew and keep its state or local license current and valid or to make timely payment of the local licensing or operating fees shall be grounds for revocation of any license issued pursuant to this chapter.

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### **5.21.190 Non-renewal, suspension or revocation of license.**

- A. The authority may, after notice and a hearing, suspend, revoke, or refuse to renew a license issued pursuant to this chapter for the following reasons:
1. Fraud, misrepresentation or a false statement of material fact contained in the license application;
  2. A violation of any Town, state, or federal law or regulation, other than a federal law or regulation concerning the possession, sale or distribution of marijuana that conflicts with Amendment 64;
  3. A violation of any of the terms and conditions of the license;
  4. A violation of any law which, if occurring prior to the submittal of the application, could have been cause for denial of the license application;
  5. Failure to timely correct any violation of any law, or comply with any order to correct a violation of any law within the time stated in the notice or order;
  6. A violation of any of the provisions of this chapter including but not limited to any violation of the duties set forth in Section 5.21.200; or
  7. Good cause.
- B. Hearing, Burden of Proof.
1. The Town clerk or the police chief may request in writing that a license issued under this chapter be suspended, revoked, or not renewed. The authority also may, on its own motion or on complaint, after investigation and opportunity for a public hearing, impose revocation or suspension or not renew a license. The written request or complaint must include the allegations upon which the proposed action is based and must be provided to the licensee.
  2. The Town Board, sitting in its official capacity as the authority, shall preside over the public hearing.
  3. The date and time of the hearing must be set, written notice of which must be sent by regular mail, postage prepaid, to the licensee at least ten (10) days prior to the hearing date.
  4. Notice of the public hearing shall comply with any other applicable provisions of the Colorado Retail Marijuana Code.
  5. The hearing must be conducted based on the allegations provided in the written request or complaint. The burden shall be on the Town to prove by a preponderance of the evidence that the licensee has violated the provisions of subsection of this section. Evidence to support a finding that such a violation has occurred may include, without limitation, a continuing pattern of disorderly conduct, a continuing pattern of drug-related criminal conduct within the licensed premises or in the immediate area surrounding such premises, a continuing pattern of criminal conduct directly related to or arising from the operation of the licensed establishment, or an ongoing nuisance condition emanating from or caused by the licensed establishment. For purposes of this section only, criminal conduct shall constitute violation of a state or Town law or regulation.
  6. The authority will hear testimony and evidence from parties in interest at the public hearing concerning the reasons set forth in subsection A of this section.
  7. A written decision must be provided to the licensee within ten (10) business days of the conclusion of the hearing. Notice shall be given by mailing a copy of the decision to the licensee by regular mail, postage prepaid, at the address shown in the license. Notice is deemed to have been properly given upon mailing.
- C. In connection with the suspension of a license, the authority may impose reasonable conditions. The authority shall be authorized to enter into stipulations with any licensee at or following the public hearing.

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- D. In the event a retail marijuana establishment or licensee is charged with violation of any law, upon which a final judgment would be grounds for suspension, revocation, or non-renewal of the license, the authority may suspend the license pending the resolution of the alleged violation.
  - E. If the authority revokes, suspends, or does not renew a license pursuant to the provisions of this Section 5.48.190, the retail marijuana establishment may not move or remove any marijuana from the premises except under the supervision of the police department.
  - F. Any decision made by the authority shall be a final decision and may be appealed to the 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 suspension or revocation of the license.

**5.21.200 Duties of licensee; records to be maintained.**

- A. It is the duty and obligation of each licensee to do the following:
  - 1. Comply with all of the terms and conditions of the license;
  - 2. Comply with all of the requirements of this chapter;
  - 3. Comply with all other applicable Town ordinances;
  - 4. Comply with the Colorado Retail Marijuana Code;
  - 5. Comply with all state laws and administrative regulations pertaining to the use of marijuana;
  - 6. Comply with all applicable federal laws, rules or regulations, other than a federal law, rule or regulation concerning the possession, sale or distribution of marijuana which conflicts with Amendment 64;
  - 7. Permit inspection of its records and the licensed premises by authorized Town staff including law enforcement officers for the purpose of determining the licensee's compliance with the terms and conditions of the license; and
  - 8. Post the license in a conspicuous location at the retail marijuana establishment.
- B. Each licensee shall keep a complete set of books of account, invoices, copies of orders and sales, correspondence, bank statements, and all other records necessary to show fully the business transactions of such licensee. The records of the licensee shall clearly track inventory purchased and sales and disposal thereof to clearly track revenue from sales of any marijuana, paraphernalia, and marijuana accessories offered by the retail marijuana establishment. All such books and records shall be open at all times during business hours for the inspection and examination of the Town or its duly authorized representatives, including any auditor selected by the Town pursuant to this section. The Town may require any licensee to furnish such information as the Town deems necessary for the proper administration of this chapter. The records shall clearly show the source, amount, price, and dates of all marijuana received or purchased, and the amount, price, and dates for all marijuana sold.
- C. The Town may require an audit to be made of the books and records of a retail marijuana establishment on such occasions as it may consider necessary. Such audit may be made by an auditor selected by the Town. The expense of any audit determined necessary by the Town shall be paid by the retail marijuana establishment.

**5.21.210 Prohibited acts.**

- A. It shall be unlawful to cultivate marijuana on or within the licensed premises of a retail marijuana store. For purposes of this subsection, "premises" shall mean all areas in which the store is authorized to conduct business activities related to the license including, but not limited to, a building, part of a building, room, or other definite contiguous area.
- B. It shall be unlawful to grow, cultivate, manufacture, prepare, process or package marijuana or marijuana products for personal use anywhere in the Town other than an enclosed space within a primary residence

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which is not open or public in conformance with the Colorado Retail Marijuana Code and any applicable provisions of this code.

- C. It shall be unlawful for any licensee to permit the sale or consumption of alcoholic beverages, as defined in the Colorado Liquor Code, on the licensed premises.
- D. It shall be unlawful to smoke, eat, or otherwise consume or ingest marijuana on the licensed premises.
- E. It shall be unlawful for any retail marijuana establishment to employ any person at a licensed premises who is younger than twenty-one (21) years of age.

**5.21.220 Retail marijuana establishment requirements and restrictions.**

- A. Retail marijuana stores approved pursuant to this chapter shall not sell, serve, or distribute marijuana at any time other than during the hours permitted by State of Colorado Retail Marijuana regulations.
- B. The licensee shall post the retail marijuana establishment license, the business license, and the sales tax license in the facility in a conspicuous location.
- C. The licensee shall post the name and contact information for the owner or owners and any manager of the retail marijuana establishment in the facility, together with the name and contact information of any person designated by the owner to be contacted in the event of an emergency. Such posting shall be in a conspicuous location.
- D. All retail marijuana establishments shall post in a conspicuous location a sign printed in 36-point text or larger stating as follows:  
  
"IT IS ILLEGAL TO TRANSFER MARIJUANA TO ANYONE UNDER THE AGE OF TWENTY-ONE. IT IS ILLEGAL TO SEND OR TRANSPORT MARIJUANA TO ANOTHER STATE. THE POSSESSION OF MARIJUANA REMAINS A CRIME UNDER FEDERAL LAW."
- E. No change shall be made to the floor plan of the interior of any licensed premises unless such modification is approved by the authority and all other appropriate Town departments prior to the time the change is made. The authority may charge a processing and inspection fee to cover any processing or inspection costs.
- F. The licensed premises shall be monitored and secured twenty-four (24) hours a day in compliance with the Colorado Retail Marijuana Code and including, at a minimum, the following security measures:
  - 1. Installation and use of security cameras to monitor all areas of the licensed premises where persons may gain or attempt to gain access to marijuana, marijuana products, or monies maintained by the facility.
  - 2. Video surveillance shall be compliant with the Colorado Retail Marijuana Code, including but not limited to, Rule 306 adopted by the Department of Revenue.
  - 3. Installation and use of a safe for overnight storage of any marijuana or marijuana products, and/or monies on the licensed premises, with the safe being incorporated into the building structure or securely attached thereto.
  - 4. Installation of a monitored user alarm system compliant with the Colorado Retail Marijuana Code and any other applicable state or local regulations.
  - 5. Robbery and burglary alarm systems that are professionally installed, monitored, and maintained in good working condition.

**5.21.230 Visibility of activities; control of emissions.**

- A. All activities of retail marijuana establishments, including, without limitation, cultivating, growing, processing, displaying, manufacturing, selling, testing, and storage, shall be conducted out of public view.



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- B. No marijuana or paraphernalia shall be displayed or kept in a retail marijuana establishment so as to be visible from outside the licensed premises.
  - C. A retail marijuana establishment shall be ventilated so that the odor of marijuana cannot be detected by a person with a normal sense of smell at the exterior of the retail marijuana establishment or at any adjoining use or property. Retail marijuana cultivation facilities must implement appropriate ventilation and filtration systems to satisfy this odor nuisance standard.
  - D. During nighttime hours, retail marijuana cultivation facilities shall not emit more than 0.1 foot-candle of light measured at a point ten (10) feet beyond any property line as a result of interior lighting, regardless of what type or types of lighting are used. Retail marijuana cultivation facilities shall install, aim, shield, and maintain all interior lighting and take other appropriate measures to satisfy this light trespass standard.
  - E. The licensee shall provide sufficient measures and means of preventing smoke, debris, dust, fluids, and other substances from exiting a retail marijuana establishment at all times, in accordance with this code and all applicable state law and regulations. In the event that any odors, light, debris, dust, fluids, or other substances exit a retail marijuana establishment, the owner of the subject premises and the licensee shall be jointly and severally liable for such conditions and shall be responsible for immediate, full clean-up and correction of such condition. The licensee shall properly dispose of all such materials, items, and other substances in a safe, sanitary, and secure manner and in accordance with all applicable federal, state, and local laws and regulations.
  - F. In the event the Town incurs costs in the inspection, clean-up, or any other measures to remove marijuana from any retail marijuana establishment, the licensee shall reimburse the Town all actual costs incurred by the Town for such inspection, clean-up, or other measures.

#### **5.21.240 Signage and advertising.**

All signage for a retail marijuana establishment shall comply with the requirements of the Town's Sign Code and the Colorado Retail Marijuana Code.

#### **5.21.250 Taxes.**

Each licensee shall pay sales tax on all marijuana, marijuana accessories, paraphernalia, and other tangible personal property sold by the licensee at a retail marijuana store.

#### **5.21.260 Penalties; injunctive relief.**

- A. It is a municipal offense for any person to violate any provision of this chapter. Any person convicted of having violated any provision of this chapter shall be punished as set forth in the General Penalty Section of the Town Code.
- B. In addition to all other remedies available to the Town under this code and by law, the operation of a retail marijuana establishment without a valid license issued pursuant to this chapter may be enjoined by the Town in an action brought in a court of competent jurisdiction.

#### **5.21.270 No waiver of governmental immunity.**

In adopting this chapter, the Town Board is relying on and does not waive or intend to waive by any provision of this chapter the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., or any other limitation, right, immunity, or protection otherwise available to the Town, its officers, or its employees.

#### **5.21.280 No Town liability.**

By accepting a license issued pursuant to this chapter, a licensee releases the Town, its officers, elected officials, employees, attorneys, and agents from any liability for injuries, damages, or liabilities of any kind that

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result from any arrest or prosecution of retail marijuana establishment owners, operators, employees, clients, or customers for a violation of state or federal laws, rules, or regulations.

### **5.21.290 Indemnification of Town.**

By accepting a license issued pursuant to this chapter, a licensee, jointly and severally if more than one agrees to indemnify and defend the Town, its officers, elected officials, employees, attorneys, agents, insurers, against all liability, claims, and demands on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the operation of the retail marijuana establishment that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and provide defense for and defend against any such liability, claims, or demands at its expense and to bear all other costs and expenses related thereto, including court costs and attorney fees.

### **5.21.300 Other laws remain applicable.**

The provisions of this chapter do not protect licensees, operators, employees, customers, and clients of a licensed retail marijuana establishment from prosecution pursuant to any laws that may prohibit the cultivation, sale, use, or possession of controlled substances. In addition, as of the date of the adoption of this chapter, the cultivation, sale, possession, distribution, and use of marijuana remain violations of federal and state law (except for conduct covered by Amendment 64), and this chapter affords no protection against prosecution under such federal and state laws. Licensees, operators, employees, customers, and clients of a licensed retail marijuana establishment assume any and all risk and any and all liability arising or resulting from the operation of the retail marijuana establishment under any state or federal law. Further, to the greatest extent permitted by law, any actions taken under the provisions of this chapter by any public officers, elected or appointed officials, employees, attorneys, and agents of the Town shall not become a personal liability of such person or of the Town.

### **5.12.310 Compliance with state law.**

- A. To the extent the state has adopted or adopts in the future any additional or stricter laws or regulations governing the sale or distribution of marijuana, the additional or stricter regulations shall control the establishment or operation of any retail marijuana establishment in the Town. Compliance with any applicable state law or regulation shall be deemed an additional requirement for issuance or denial of any license under this chapter, and noncompliance with any applicable state law or regulation shall be grounds for revocation, suspension, or non-renewal of any license issued hereunder.
- B. Any retail marijuana establishment licensed pursuant to this chapter may be required to demonstrate, upon demand by the authority or by law enforcement officers that the source and quantity of any marijuana found upon the licensed premises is in full compliance with any applicable state laws or regulations.
- C. Except as otherwise provided herein, the authority shall be governed by the Colorado Retail Marijuana Code now in effect or subsequently amended. In the event of any conflict between the provisions of this chapter and those in the Colorado Retail Marijuana Code, the more restrictive provision shall control.
- D. If the state prohibits the cultivation, production, possession, or other distribution of marijuana through retail marijuana establishments, or if a retail marijuana establishment is denied a license through the state licensing authority or has such license revoked pursuant to the Colorado Retail Marijuana Code, or if a court of competent jurisdiction determines that the federal government's prohibition of the cultivation, production, possession, or other distribution of marijuana through retail marijuana establishments supersedes state law, any license issued pursuant to this chapter shall be deemed to be immediately revoked by operation of law, with no ground for appeal or other redress on behalf of the licensee.
- E. A license for a retail marijuana establishment is a revocable privilege, and no applicant therefore or holder thereof shall be deemed to have acquired any property interest therein.