# **Chapter 5.12 MARIJUANA LICENSING**

## **PART 1 – Authority and Definitions**

(Sections 5.12.010 through 5.12.020)

# 5.12.010 Authority and Scope.

- A. <u>Establishment</u>. These regulations were adopted pursuant to Resolution No. \_\_\_\_\_\_, of the Pueblo County Board of County Commissioners and replace the prior Chapter 5.12 adopted by Resolution No. 20-009, and as subsequently amended. The purpose of replacing prior regulations is to clarify the policy of Pueblo County in regulating Retail and Medical Marijuana Establishments. The provisions of this Chapter 5.12 of the Pueblo County Code shall be known and may be cited as the Pueblo County Marijuana Code.
- B. <u>Authority.</u> This Chapter is adopted pursuant Sections 14 and 16 of Article XVIII of the Colorado Constitution; Article 10 of Title 44, C.R.S.; and the Code of Colorado Regulations. It governs the operation of Retail Marijuana Establishments and Medical Marijuana Establishments within unincorporated Pueblo County and the authority of the Pueblo County Liquor and Marijuana Licensing Board (the "Board"), Hearing Officer, and the Licensing Agent when acting as the local licensing authority for retail marijuana or medical marijuana, as applicable, and as further described in Chapter 5.16 of the Pueblo County Code.
- C. <u>Jurisdiction</u>. All persons who have submitted applications for Marijuana Establishments within unincorporated Pueblo County, all Approved Businesses, and all persons who have been approved or licensed in the past, as applicable, are subject to these regulations. Noncompliance with any provision of this Chapter may constitute a violation.

#### 5.12.020 Definitions.

Unless otherwise defined herein, the terms in this Chapter shall have the same meaning as set forth in: Chapter 5.16 of the Pueblo County Code; Sections 14 and 16 of Article XVIII of the Colorado Constitution; Article 10 of Title 44, C.R.S.; the Code of Colorado Regulations; and any other rules promulgated pursuant thereto. The following words and phrases, when used in this Chapter, shall have the meanings respectively assigned to them:

- 1. "Advertise, advertising or advertisement" means the act of drawing the public's attention to a Medical or Retail Marijuana Establishment's premise or name in order to promote the sale of marijuana or marijuana products.
- 2. "Approved Business" means a licensee or a person or entity conditionally approved for licensure under this Chapter.
- 3. "Colorado Marijuana Code or Colorado Marijuana Laws" mean all laws in the State of Colorado regarding regulated marijuana including Sections 14 and 16 of Article XVIII of the Colorado Constitution; Article 10 of Title 44, C.R.S.; and rules promulgated in the Code of Colorado Regulations.

- 4. "Hearing Officer" means the Hearing Officer selected by the Board of County Commissioners.
- 5. "Licensing Agent" means the person designed by the Board of County Commissioners to process marijuana applications or, if no such person has been specifically designated, the Director of the Department of Planning and Development or his or her designee.
- 6. "License" means to grant a license or registration pursuant to this Chapter.
- 7. "Licensed Premises" means the premises specified in an application for a license under this Chapter, which are owned or in possession of the licensee and within which the licensee is authorized to cultivate, manufacture, distribute, test, or sell marijuana in accordance with the provisions of this Chapter and in accordance with the provisions of the Colorado Marijuana Code and any rules adopted pursuant thereto.
- 8. "Licensee" means a person licensed or registered pursuant to this Chapter.
- 9. "Limited Access Areas" means and shall be a building, room, or other contiguous area upon the licensed premises where marijuana is grown, cultivated, stored, weighed, displayed, packaged, sold, or possessed for sale, under control of the licensee, with limited access to only those persons licensed by both the State Licensing Authority and the local Licensing Authority.
- 10. "Location" means a particular parcel of land that may be identified by an address or other descriptive means.
- 11. "Marijuana" means both Medical Marijuana and Retail Marijuana as those terms are defined herein.
- 12. "Marijuana Establishment" means both a Medical Marijuana Establishment and a Retail Marijuana Establishment as those terms are defined herein.
- 13. "Medical Marijuana" means marijuana that is grown, manufactured, stored, and/or sold pursuant to the provisions of these regulations and the Colorado Marijuana Laws.
- 14. "Medical Marijuana Cultivation Facility" means a person licensed pursuant to this Chapter and to the Colorado Marijuana Code to operate a business as described in C.R.S. § 44-10-502.
- 15. "Medical Marijuana Establishment" means a Medical Marijuana Cultivation Facility, Medical Marijuana Products Manufacturer, Medical Marijuana Store, or a Storage Warehouse.
- 16. "Medical Marijuana Product" means a product infused with Medical Marijuana that is intended for use or consumption other than by smoking, including, but not limited to edible products, ointments, and tinctures.
- 17. "Medical Marijuana Products Manufacturer" means a person licensed pursuant to this Chapter and to the Colorado Marijuana Code to operate a business as described in C.R.S. § 44-10-503.
- 18. "Medical Marijuana Store" means a person licensed pursuant to this Chapter and to the Colorado Marijuana Code to operate a business as described in C.R.S. § 44-10-501 and to sell Medical Marijuana to registered patients or primary caregivers as defined in Article XVIII, Section 14 of the Colorado Constitution, but is not a primary caregiver.
- 19. "Medical Marijuana Testing Facility" means a public or private laboratory licensed pursuant to this Chapter and to the Colorado Marijuana Code, to perform testing and research on Medical Marijuana.

- 20. "Medical Marijuana Transporter" means a person that is licensed pursuant to this Chapter and the Colorado Marijuana Code to transport Medical Marijuana and Medical Marijuana Products from one Medical Marijuana Establishment to another Medical Marijuana Establishment and to temporarily store the transported Medical Marijuana and Medical Marijuana Products at its Licensed Premises, but is not authorized to sell Medical Marijuana or Medical Marijuana Products under any circumstances.
- 21. "Openly and Publicly" for the purpose of consuming marijuana means on public property or a place of business open to the public without restrictions such as a restriction on age or a membership requirement.
- 22. "Operating fees" means fees that must be paid by a Retail Marijuana Establishment licensee for the costs of administering and enforcing this Chapter.
- 23. "Person" means a natural person, partnership, association, company, corporation, limited liability company, or organization, or a manager, agent, owner, Licensing Agent, or officer thereof; except that "Person" does not include any governmental organization.
- 24. "Premises" means a distinct and definite location, which may include a building, a part of a building, a room, or any other definite contiguous area.
- 25. "Residential Area" means an area within an agricultural zone district consisting of parcels that are, by virtue of covenants on the land, part of or subject to the oversight of a common homeowners' or property owners' association.
- 26. "Retail Marijuana" means marijuana that is grown, tested, manufactured, stored, and/or sold pursuant to the provisions of these regulations, the Colorado Marijuana Code and Section 16 of Article XVIII of the Colorado Constitution.
- 27. "Retail Marijuana Cultivation Facility" means a person licensed pursuant to this Chapter and the Colorado Marijuana Code to cultivate, prepare, and package Retail Marijuana and sell Retail Marijuana to Retail Marijuana Stores, to Retail Marijuana Products Manufacturers, and to other Retail Marijuana Cultivation Facilities, but not to consumers.
- 28. "Retail Marijuana Establishment" means a Retail Marijuana Store, a Retail Marijuana Cultivation Facility, a Retail Marijuana Products Manufacturer, Storage Warehouse, or a Retail Marijuana Testing Facility as set forth in Section 16 of Article XVIII of the Colorado Constitution and as may be more fully defined in the Colorado Marijuana Code.
- 29. "Retail Marijuana Products Manufacturer" means a person licensed pursuant to this Chapter and the Colorado Marijuana Code to purchase Retail Marijuana; manufacture, prepare, and package Retail Marijuana Product; and Transfer Retail Marijuana, Retail Marijuana Concentrate, and Retail Marijuana Product only to other Retail Marijuana Products Manufacturers, Retail Marijuana Stores, Retail Marijuana Hospitality and Sales Businesses and Pesticide Manufacturers.
- 30. "Retail Marijuana Store" means a person licensed pursuant to this Chapter and the Colorado Marijuana Code to purchase Retail Marijuana and Retail Marijuana Concentrate from a Retail Marijuana Cultivation Facility and to purchase Retail Marijuana Product and Retail Marijuana Concentrate from a Retail Marijuana Products Manufacturer, and to transfer Retail Marijuana to consumers.
- 31. "Retail Marijuana Testing Facility" means a person licensed pursuant to this Chapter and the Colorado Marijuana Code to analyze and certify the safety and potency of marijuana.

- 32. "Retail Marijuana Transporter" means a person that is licensed pursuant to this Chapter and the Colorado Marijuana Code to transport Retail Marijuana from one Retail Marijuana Establishment to another Retail Marijuana Establishment or to a Pesticide Manufacturer, and to temporarily store the transported Retail Marijuana at its Licensed Premises, but is not authorized to sell, give away, buy, or receive complimentary Retail Marijuana under any circumstances. A Retail Marijuana Transporter does not include a Licensee to transport or distribute its own Retail Marijuana.
- 33. "School" means a public or private elementary, middle, junior high or high school.
- 34. "State Licensing Authority" means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, testing and sale of marijuana in this State pursuant to the Colorado Marijuana Code.
- 35. "Storage Warehouse" shall mean a premise permitted to store marijuana pursuant to this Chapter and the Colorado Marijuana Code.
- 36. "ZCRM" means a Zoning Compliance Review-Marijuana, which is required under Title 17, Division 1, Zoning of this Code and necessary to determine whether a licensing application can be accepted consistent with the requirements of this Chapter.

## **PART 2 – License Requirements and Restrictions**

(Sections 5.12.030 through 5.12.080)

#### 5.12.030 Licenses.

- A. Local Retail and Medical Marijuana Establishment licenses shall be issued in addition to state licenses. The license types are as follows:
  - 1. Medical Marijuana Cultivation Facility License;
  - 2. Medical Marijuana Products Manufacturer License;
  - 3. Medical Marijuana Store License;
  - 4. Medical Marijuana Testing Facility License;
  - 5. Medical Marijuana Transporter License;
  - 6. Retail Marijuana Store License;
  - 7. Retail Marijuana Cultivation Facility License;
  - 8. Retail Marijuana Products Manufacturer License;
  - 9. Retail Marijuana Testing Facility License;
  - 10. Retail Marijuana Transporter License;
  - 11. Storage Warehouse License.
- B. The acceptance of new applications shall be subject to the requirements and restrictions of this Chapter, including the applicable caps on maximum licenses subject to Section 5.12.070.A.
- C. Any licenses issued under prior titles pursuant to this Chapter and the Colorado Marijuana Laws may continue to operate under the new license titles and any future changes to those titles shall have no impact on the requirements and restrictions for each license type.
- D. A license provided and issued pursuant to this Chapter shall specify the date of issuance, the date of approval, the period of licensure, which shall be one year from the date of approval or, if the approval order has been extended by the Board, one year from the expiration of the initial

approval, the name of the licensee and the premises licensed. The period of licensure for Retail Marijuana Transporter Licenses and Medical Marijuana Transporter Licenses shall be two years from the date of approval or, if the approval order has been extended by the Board, two years from the expiration of the initial approval. The licensee shall, at all times, conspicuously post all licenses, diagrams, and security plans on the licensed premises pursuant hereto.

## 5.12.040 General Requirements.

### A. State Laws.

- 1. All applicants, licensees, or other persons subject to these regulations shall, at all times, be familiar with the requirements of this Chapter, of the Colorado Marijuana Laws, and of any application and reporting procedures set forth by the Licensing agent, including any updates or changes made to such requirements.
- 2. All applicants, licensees, or other person subject to these regulations shall, at all times, comply with all provisions of this Chapter, the Colorado Marijuana Laws, and any application or reporting procedures set forth by the Licensing Agent. Noncompliance with such laws or regulations and any violation under such laws or regulations constitutes a violation under this Chapter and shall be grounds to deny an application or for an enforcement action.
- 3. To the extent the state has adopted or adopts in the future any laws or rules stricter than or inconsistent with the provisions of this Chapter, those laws or regulations shall control.
- 4. To the extent the state has adopted or adopts in the future any laws or rules that require local licensing authority approval or the local licensing authority to opt-in, Pueblo County shall remain exempt from such changes unless and until the Board of County Commissioners approve the new law or rule.
- 5. Any waiver of requirements pursuant to State laws or regulations issued by the State will not constitute a waiver of compliance requirements for local licensing purposes pursuant to this Chapter, other Colorado Marijuana Laws, or other requirements under the Pueblo County Code.
- E. <u>Rules by Licensing Agent.</u> The Licensing Agent is authorized to make rules and publish forms and policy consistent with the intent and spirit of this Chapter concerning applications, the application process, the information required of applicants, the application procedures, reporting of changes, and the administration and procedures to be used and followed in the application process, hearings, and general license administration.
- F. <u>Conditional Orders</u>. Where reasonably necessary and otherwise consistent with the provisions of this Chapter, the Local Licensing Authority may conditionally approve any application made under this Chapter and may also issue a conditional or stipulated license or place conditions on an existing license.
- G. <u>Effect of Investigation</u>. Except for a license renewal application, the Licensing Agent shall not accept any application from a person the Licensing Agent knows to be under investigation or facing disciplinary action by Pueblo County or the Colorado Department of Revenue for a

violation of this Chapter or state laws or regulations unless ordered to do so by the Pueblo County Liquor and Marijuana Licensing Board.

### 5.12.050 Land Use Requirements and Inspections

### A. <u>Possession Generally.</u>

- 1. No application for a new license, for a change of location, or for a transfer of ownership shall be accepted unless the Licensing Agent receives sufficient proof that the Approved Business or applicant is in possession of the premises or will be entitled to possession of the premises for the entire period of the license.
- 2. Unless a condition of approval provides otherwise, an approved applicant must at all times after approval maintain possession of the premises to be licensed.
- 3. A licensee must maintain possession of its licensed premises at all times after licensure. Possession is a prerequisite of licensure and any loss of possession while licensed invalidates the license.
- 4. Loss of possession by licensees or approved applicants shall be addressed as provided in Section 5.12.090.B below.
- B. <u>ZCRM.</u> No application for a new license, a change of location, or a transfer of ownership shall be accepted until the premises to be licensed has been approved by the Department of Planning and Development through the Zoning Compliance Review Marijuana process, which is designed to establish whether the proposed establishment would comply with Pueblo County's land use regulations under Title 17, Division 1, Zoning of this Code. Any waiver of requirements pursuant to State laws or regulations issued by the State will not constitute a waiver of compliance requirements for local licensing purposes.
- C. <u>Continuing Land Use Compliance.</u> In addition to any specific licensing requirements imposed by this Chapter or by the Colorado Marijuana Laws, all applicants, approved applicants, and licensees shall remain in compliance with the requirements of Title 17 of the Pueblo County Code. Any waiver of requirements pursuant to State laws or regulations issued by the State will not constitute a waiver of compliance requirements for local licensing purposes.
- D. <u>License Issuance</u>. In the event that the Local Licensing Authority approves an application for a new license, a transfer of ownership, or for a change of location, the license shall not issue until the building in which the business is to be conducted is ready for occupancy with such furniture, fixtures, and equipment in place as are necessary to comply with the applicable provisions of State law and regulations promulgated pursuant thereto and then only after the Local Licensing Authority has inspected the premises to determine that the applicant has complied with the plot plan including any interior work and stamped approved job site plans, to be submitted by the applicant for the interior of the building as approved by the Pueblo Regional Building Department.
- E. <u>Inspection</u>. The licensed premises, including but not limited to any places where marijuana is grown, stored, cultivated, sold, processed, manufactured, tested, or dispensed, shall be subject to inspection by the officers of Pueblo County and any other state or local law enforcement personnel during all business hours and other times of apparent activity, for the purpose of

inspection or investigation. The officers of Pueblo County may conduct unannounced or covert compliance inspections. For examination of any inventory or books and records required to be kept by the licensees, access shall be required during business hours. Where any part of the licensed premises consists of a locked area, upon demand to the licensee, such area shall be made available for inspection without delay and, upon request by authorized representatives of the Local Licensing Authority, the licensee shall open the area for inspection.

F. <u>Modification of Licensed Premises</u>. An Approved Business must receive permission from the Local Licensing Authority to modify its licensed premises prior to making any changes or modifications to the licensed premises.

## **5.12.060** License Regulations.

- A. <u>Financial Interest</u>. An Approved Business shall report each transfer or change of financial interest in the license to the Licensing Agent prior to any transfer or change. The Approved Business must also report to the Licensing Agent, within one day of discovering the same, any act, omission, or change in circumstance that could reasonably appear to result in the violation of any provision of this Chapter or of any other state or local law.
- B. Operational Changes. An Approved Business shall notify the Licensing Agent in writing within 10 days after an owner or officer ceases to manage, own or otherwise be associated with the operation. The owner or officer shall surrender his or her identification card to the State Licensing Authority on or before the date of notification. An Approved Business shall also notify the Licensing Agent in writing of the name, address, and date of birth of an owner or officer within ten days of the new owner or officer begins managing, owning, or being associated with the operation.
- C. <u>Operating Conditions</u>. An Approved Business shall, at all times, meet and comply with the following operating conditions and standards:
  - 1. An applicant or Approved Business shall not take any actions for which a license is required without holding both a valid license issued under this Chapter and a valid corresponding state license.
  - 2. No license otherwise approved pursuant to this Chapter shall issue until the license, application fees and any licensing or operating fees due to the State of Colorado and/or the County of Pueblo have been fully paid and received.
  - 3. Each licensee shall retain all books and records, including state METRIC reports, necessary to show fully the business transactions of the licensee for a period of the current tax year and the three immediately prior tax years. The same shall be available on demand to the officers of Pueblo County.
- D. Any Marijuana Establishment licensed pursuant to this Chapter may be required to demonstrate, upon demand by the Local Licensing 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 law or regulation.
- E. <u>Drive-up Windows</u>. An Approved Business licensed pursuant to this Chapter to operate a Medical Marijuana Store or a Retail Marijuana Store may operate a drive-up window, in compliance with this Chapter and Colorado Marijuana laws, upon both local zoning approval and approval of the Local Licensing Authority.

- F. <u>Storage Warehouse</u>. Any person licensed pursuant to this Chapter may operate a Storage Warehouse for medical and/or retail marijuana provided they meet all the requirements of the Colorado Marijuana Code, and the Storage Warehouse is proposed to be located in place where warehouses are permitted pursuant to Title 17, Division 1, Zoning.
- G. <u>Dual Operation</u>. A person who holds both a license to operate a Medical Marijuana Establishment and a license to operate a Retail Marijuana Establishment may operate both licenses in the same premises ("dual operation") provided the licensee meets the requirements of the Colorado Marijuana Code and this Chapter.
  - 1. A Medical Marijuana Store licensee may also hold a Retail Marijuana Store license and operate a retail business operation on the same licensed premises provided that the licensee does not authorize patients under the age of 21 years to be on the premises. The licensee must post signage that clearly states: "You must be 21 years of age or older to enter this premises." The licensee may display both medical marijuana and retail marijuana on the same sale floor, provided the licensee maintains virtual separation of its inventory. A Medical Marijuana Store that authorizes medical marijuana patients under the age of 21 years to be on the premises cannot share its premises with a Retail Marijuana Establishment and the two shall maintain distinctly separate licensed premises.
  - 2. A Medical Marijuana Cultivation Facility licensee may also hold a Retail Marijuana Cultivation Facility license and operate on the same premises. Persons operating dual medical and retail cultivation operations shall maintain virtual separation of the facilities, marijuana plants, and marijuana inventory.
  - 3. A Medical Marijuana Products Manufacturer licensee may also hold a Retail Marijuana Products Manufacturer license on the same premises. Persons operating a Medical Marijuana Products Manufacturer facility and a Retail Marijuana Products Manufacturer facility shall maintain virtual separation of the facilities, product ingredients, product manufacturing, and final product inventory.

### 5.12.070 License Restrictions

### A. License Cap.

- 1. The following marijuana license types are subject to a maximin cap on the number of total licenses permitted to operate in unincorporated Pueblo County. The Licensing Agent shall not accept new applications for any license type that has met the cap. The cap for each license type is as follows:
  - a. Medical Marijuana Cultivation Facility Licenses shall be capped at 28 licenses.
  - b. Medical Marijuana Products Manufacturer Licenses shall be capped at 17 licenses.
  - c. Medical Marijuana Store Licenses shall be capped at 12 licenses.
  - d. Retail Marijuana Cultivation Facility Licenses shall be capped at 122 licenses.
  - e. Retail Marijuana Products Manufacturer Licenses shall be capped at 27 licenses.
  - f. Retail Marijuana Store Licenses shall be capped at 32 licenses.

- 2. If, at any point, the number of approved licenses in Pueblo County is greater than the maximum cap permitted, all licensees may continue to operate pursuant to this Chapter and the Colorado Marijuana Laws. There shall be no additional restrictions on licenses, other than those already specified by this Chapter and Colorado Marijuana Laws, and licenses may still apply for a change of ownership or transfer of ownership. If a license subject to a maximum cap is revoked, not renewed, or rescinded then the Licensing Agent shall not accept any new applications for that license type until the number is below the maximum cap on number of licenses permitted.
- 3. If a license becomes available and the cap for that license type has not been met, the Licensing Agent may accept applications for a new license. Timing for the acceptance of new applications shall be determined by the Licensing Agent and an announcement of such acceptance shall be posted on the County website. The Licensing Agent shall use a lottery system for selecting an applicant(s). Lottery applications will proceed according to rules published by the Licensing Agent at the time acceptance of new applications are announced. Selected applicant(s) shall than submit a new application pursuant to Section 5.12.130.
- 4. At no time shall any licensee be permitted to switch their license type and a licensee who seeks to add a license for a dual operation, pursuant to Section 5.12.060.G of this Chapter, must apply for a new license in accordance with these rules. There are no exceptions to the maximum cap on licenses.
- B. <u>Store Restrictions</u>. In addition to any specific licensing requirements imposed by this Chapter and the Colorado Marijuana Laws, the following restrictions shall apply to all Retail Marijuana Stores and Medical Marijuana Stores:
  - 1. There shall be no personal delivery of marijuana within unincorporated Pueblo County. This restriction shall apply to all licensees and to any stores that may be located outside of unincorporated Pueblo County.
  - 2. Stores shall not use walk-up windows at their location and shall not permit any customers to walk up to a drive-up window at the store.
- C. <u>Cultivation Restrictions</u>. In addition to any specific licensing requirements imposed by this Chapter and the Colorado Marijuana Laws, no Retail Marijuana Cultivation Facility may increase tier size by more than one tier at one time, and no Retail Marijuana Cultivation Facility may increase tier size more than once in a one-year period. No Medical Marijuana Cultivation Facility may increase class size by more than one class at one time, and no Medical Marijuana Cultivation Facility may increase class size more than once in a one-year period. The one-year period shall run from the date of the prior increase in tier or class size.
- D. <u>General Restrictions</u>. All licenses are subject to any additional conditions or restrictions placed on the license by the Local Licensing Authority at the time of approval or renewal, as the result of an enforcement action, or as a restriction under former versions of this Chapter that were valid at the time of application.

# 5.12.080 Conditionally Approved Applications.

- A. <u>Privileges of licensure not vested</u>. An order of the Local Licensing Authority conditionally approving an application is not a license but only the right to obtain a license once certain conditions have been met. A conditionally approved applicant is not a licensee and may in no case exercise the privileges of licensure, including operating a licensed establishment, taking any other preliminary steps for which, a license is required, or transferring the conditional approval through a transfer of ownership.
- B. <u>Jurisdiction of Local Licensing Authority</u>. A conditionally approved applicant is subject to the jurisdiction of the Licensing Agent and Board and to investigation by Pueblo County, disciplinary actions before the Board or Hearing Officer, and any other requirements or procedures imposed by law or by order of the Board. All rights conveyed through the Local Licensing Authority's approval or conditional approval may be suspended or revoked through the same procedure, and with the same effect, as a license.
- C. <u>Violations and Administrative Revocation</u>. It shall be a violation of this section for a conditionally approved applicant to commit an act or omission, which, if committed by a licensee, would be a violation of any other provision of this Chapter or of the Colorado Marijuana Code. Additionally, the Local Licensing Authority may also, without finding a violation, administratively rescind an approval order and revoke all rights conferred thereby if it finds that a circumstance necessary to its approval has materially changed or ceased to exist. At any point prior to the issuance of the license, the Local Licensing Authority or the Licensing Agent, subject to approval by the Local Licensing Authority at its next meeting, may stay the issuance of a license if it reasonably appears that a conditionally approved applicant has violated or is being investigated for violating any provision of this Chapter or of the Colorado Marijuana Code, or if it reasonably appears that there are grounds to rescind the conditional approval order.
- D. <u>Conditional Approval Extensions</u>. When any conditionally approved applicant requires an extension to complete an act required by its approval order, the Board may, unless this Chapter or the Colorado Marijuana Code require otherwise, provide a one-time extension of the term of the order if the applicant requesting the extension demonstrates that the delay at issue was reasonably justified, and the applicant is in compliance with the terms and conditions of the order, of this Chapter, and of the Colorado Marijuana Code. It is at the discretion of the Board to determine if the facts establish a reasonable justification. This extension shall run from the date of expiration of the initial order for a period of one year. If the applicant does not comply within the period of the extension, then the order shall expire.

### PART 3 – Licensing Agent and Enforcement Division

(Sections 5.12.090 through 5.12.110)

## 5.12.090 Licensing Agent Special Rules.

A. <u>Licensing Agent Approval of Applications</u>. In addition to any specific powers exercised by the Licensing Agent as provided in this Chapter or in Chapter 5.16, the Licensing Agent may,

without a public hearing, approve or conditionally approve applications that would result in the following:

- 1. Changing, Altering, or Modifying Licensed Premises;
- 2. Change of Trade Name;
- 3. Any application that must be approved prior to the next Board meeting, provided that: it is not possible to schedule a special meeting of the Board with a quorum to consider the item, a hearing is not required to approve the application, and the Board ratifies the approval of the application at the next available meeting.

## B. Loss of Possession.

- 1. Loss of Possession Invalidates Licenses and Orders. Subject to subsection 3 below, if the Licensing Agent or his or her designee sustains a finding that a licensee or approved applicant has lost of possession of its licensed premises or its premises to be licensed, the corresponding license or approval order shall be rescinded and deemed invalid.
- 2. Showing Cause to Licensing Agent. In the event the it reasonably appears to the Licensing Agent, his or her designee, or the Marijuana Compliance Inspector, or such similar position, that a licensee or approved applicant has lost possession of the licensed premises or premises to be licensed, then the same official may send a notice by certified mail requiring the Approved Business to show cause within 5 business days as to why the license should not be rescinded for loss of possession. The Approved Business shall show cause in writing to the Licensing Agent.
- 3. Stay of Rescission. If a finding of loss of possession is sustained, the Licensing Agent or his or her designee may stay the rescission of the license or approval order if the Approved Business demonstrates that: (1) the loss of possession of its licensed premises or premises to be licensed was the result of extraordinary circumstances beyond the control of a reasonably prudent business or approved applicant; and (2) the licensee or applicant will either regain possession of the premises within thirty days or secure possession of new and appropriate premises within thirty days. The Approved Business bears the burden of justifying a stay and of complying with any conditions of the stay. In addition, the Licensing Agent may stay the recession of any license or approval order if the Approved Business applied for a change of location prior to the loss of possession.
- 4. Effect of Rescission. The rescission of a license or approval order under this Section shall not constitute a violation of this Code, but nothing shall prevent the Marijuana Compliance Inspector from electing to seek a finding of a violation for loss of possession instead of seeking rescission under this Section.

### 5.12.100 Enforcement Division.

- A. The Enforcement Division, operating under the Department of Planning and Development, is recognized. The Division consists of the Marijuana Compliance Inspector and any other similar or support positions. The Division shall be represented by an attorney from the Pueblo County Attorney's Office designated as the Marijuana Enforcement Counsel in all proceedings before the Local Licensing Authority.
- B. The Enforcement Division is authorized to inspect licensed premises, or premises to be licensed, and to investigate any alleged violations arising under this Chapter or state law.

- Approved Businesses shall cooperate fully with any investigation. Failure to do so constitutes an independent violation of this Chapter.
- C. Violation proceedings may be initiated upon a finding of reasonable suspicion of one or more violations by either the Enforcement Division or the Liquor and Marijuana Licensing Board. In either case, a notice of hearing shall be set and a hearing before the Hearing Officer shall be set. Prior to the violation hearing, the Local Licensing Authority may summarily suspend the license if it finds that the alleged violations could affect public safety or, if the violation is for the failure to pay taxes, the Local Licensing Authority may summarily suspend the license until such time that the taxes owed are paid or the hearing takes place.
- D. If a hearing is set under subsection C above, the licensee or approved applicant shall be notified by certified mail of the hearing and of the allegations no less than ten days in advance of the hearing.
- E. In deciding whether a license should be fined, suspended, or revoked in accordance with this section, and in deciding what conditions to impose in the event of a suspension, if any, the Local Licensing Authority shall consider:
  - 1. The nature and seriousness of the violation;
  - 2. Corrective action, if any, taken by the licensee;
  - 3. Prior violation(s), if any, at the licensed premises by the licensee and the effectiveness of prior corrective action, if any;
  - 4. The likelihood of reoccurrence;
  - 5. All circumstances surrounding the violation;
  - 6. Whether the violation was willful;
  - 7. The length of time the license has been held by the licensee;
  - 8. The number of violations by the licensee within the applicable twelve-month period:
  - 9. Previous sanctions, if any, imposed against the licensee;
  - 10. Whether the licensee has a responsible vendor designation;
  - 11. Whether the licensee supports other local businesses including without limitation the display of local art or use of local ancillary businesses;
  - 12. Whether the licensee has contributed to or been involved in a charitable giving program; and
  - 13. Any other factor making the situation with respect to the licensee or the licensed premises unique.
- F. Notice of suspension or revocation shall be given by mailing the same in writing to the licensee at the licensee's last address of record with the Local Licensing Authority.
- G. Any recommended stipulations or agreements between the licensee and the Local Licensing Authority shall be presented to the Local Licensing Authority at the hearing. The Local Licensing Authority in its discretion may:
  - 1. Accept such stipulation or agreement and dispense with the hearing;
  - 2. Allow limited testimony and evidence and, based thereon, accept such stipulation or agreement without a full hearing, or
  - 3. Reject the stipulation and require a full hearing.

- H. Stipulations regarding violations of these Regulations may be executed by the Pueblo County Land use and Marijuana Compliance Inspector and a Licensee consistent with the following:
  - 1. The Inspector may make determinations regarding the type of sanction to impose based upon the severity of the violation and in conformance with the following categories of violations:
    - a. License Infractions. This category of violation is the least severe and may include, but is not limited to, failure to display required badges, unauthorized modifications of the Licensed Premises of a minor nature, or failure to notify the Local Licensing Authority of a minor change in ownership. The range of penalties for this category of violation may include license suspension, a fine per individual violations of up to \$1000.00 for each separate violation, and/or a fine in lieu of suspension of up to \$10,000 depending on the mitigating and aggravating circumstances. Sanctions may also include restrictions on the license.
    - b. License Violations. This category of violation is more severe than a license infraction but generally does not have an immediate or potential negative impact on the health, safety, and welfare of the public at large. License violations may include but are not limited to, advertising and/or marketing violations, packaging or labeling violations that do not directly impact patient or consumer safety, failure to maintain minimum security requirements, failure to keep and maintain adequate business books and records, or minor or clerical errors in the Inventory Tracking System. The range of penalties for this category of violation may include license suspension, a fine per individual violation of up to \$50,000 depending on the mitigating and aggravating circumstances. Sanctions may also include restrictions on the license.
    - License Violations Affecting Public Safety. This category of violation is the most severe and may include, but is not limited to, Retail Marijuana sales to persons under the age of 21 years, Medical Marijuana sales to nonpatients, consuming marijuana on the Licensed Premises, Regulated Marijuana sales in excess of the relevant sales limitations, permitting the diversion of Regulated Marijuana outside the regulated distribution system, possessing marijuana obtained from outside the regulated distribution system or from an unauthorized source, making misstatements or omissions in the Inventory Tracking System, failure to report any transfer marijuana where reporting is required by Colorado law, knowingly adulterating or altering or attempting to adulterate or alter any Samples of Regulated Marijuana, violations related to co-located Medical Marijuana Businesses and Retail Marijuana Businesses, violations related to R&D Co-Location Permits, failure to maintain books and records to fully account for all transactions of the business, failure to cooperate with State or Local License Authority investigators during the course of inspections or investigations,

failure to comply with any requirement related to the Transfer of Sampling Units, violations directly targeting minors, or packaging or labeling violations that directly impact patient or consumer safety. Violations of this nature generally have an immediate or potential negative impact on the health, safety, and welfare of the public at large. The range of penalties for this category of violation may include license suspension, a fine per individual violation of up to \$10,000 for each separate violation, a fine in lieu of suspension of up to \$100,000, and/or license revocation depending on the mitigating and aggravating circumstances. Sanctions may also include restrictions on the license.

- 2. In no event shall the Inspector enter into stipulations under this subsection with a Licensee more than 3 times within a one-year period.
- 3. Nothing in this subsection shall preclude the Inspector from requesting that the Local Licensing Authority consider any alleged violation of this Chapter.
- I. Requests to pay a fine in lieu of serving a suspension period shall be heard by the Local Licensing Authority before the suspension period is set to begin. Decisions regarding whether or not to approve requests to pay a fine in lieu of serving a suspension are within the discretion of the Local Licensing Authority.
- J. The remedies provided in this section are in addition to any other remedy provided by applicable law.

#### 5.12.110 Unlawful Acts: License Violations.

- A. It is unlawful and a violation of the terms and conditions of every license issued under this Chapter to cultivate, manufacture, distribute, store, test or sell marijuana, except in compliance with the terms, conditions, limitations and restrictions in Sections 14 and 16 of Article XVIII of the State Constitution, the Colorado Marijuana Code, the provisions of this Chapter, and any conditions imposed on a license pursuant to this Chapter, and the provisions of Title 17, Division 1, Zoning of this Code.
- B. It shall be unlawful for any person to engage in any form of business or commerce directly involving the cultivation, processing, manufacturing, sale, or testing of marijuana other than those forms of businesses and commerce that are expressly contemplated by this Chapter and the Colorado Marijuana Code
- C. It shall be unlawful for any person to consume or to permit the consumption of marijuana on any Licensed Premises.
- D. It is unlawful and a violation of this Chapter for a Marijuana Establishment to operate until it has been licensed under this Chapter by the Local Licensing Authority and also licensed by the State Licensing Authority pursuant to the Colorado Marijuana Code.
- E. It is unlawful and a violation of this Chapter and, further, a violation of each license issued pursuant to this Chapter for a person or licensee to commit any act or omission which is unlawful pursuant to the Colorado Marijuana Code. In addition to the criminal penalties specified therein, any licensee who commits any acts that are unlawful pursuant to this Chapter and/or pursuant to the Colorado Marijuana Code shall be subject to a summary suspension, a suspension, fines, and/or a revocation of its license.

- F. It is unlawful and a violation of this Chapter for a Marijuana Establishment to permit a customer to approach a drive-up window on foot or on anything other than a licensed vehicle. Additionally, it is unlawful and an additional violation to permit any sales at a drive-up window to anyone other than a customer in a licensed vehicle.
- G. In addition to any other civil or criminal sanction prescribed by Colorado law or rules promulgated pursuant thereto, the Local Licensing Authority has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee shall be afforded an opportunity to be heard, to fine, restrict, suspend, revoke or rescind a license or order issued by the Local Licensing Authority for a violation by the licensee or by any of the agents or employees of the licensee of the provisions of this Chapter, the Colorado Marijuana Code and/or of any of the other terms, conditions or provisions of the license issued by the Local Licensing Authority. The Local Licensing Authority is specifically empowered to issue penalties in accord with the categories of offenses outlined in the Colorado Marijuana Code.
- H. Each person licensed pursuant to this Chapter shall keep and maintain all records specified in the Colorado Marijuana Code and shall make the same open, at all times, during business hours for the inspection and examination of the Local Licensing Authority or its duly authorized representatives. A failure to maintain such records and to allow for inspection of the same as well as a failure to allow the inspection of the licensed premises by the Local Licensing Authority shall constitute a violation of this Chapter and such violation may, in the discretion of the Local Licensing Authority, form or constitute the basis for a summary suspension, a suspension, fines and/or revocation of the licensee's license.
- I. No Medical Marijuana Store or Retail Marijuana Store approved pursuant to this Chapter may sell marijuana at any time except between the hours of 8:00am to 7:00pm for a medical marijuana store and between the hours of 8:00am to 11:00pm for a retail store, unless a more restrictive time is set by the Colorado Marijuana Code.
- J. All sales receipts at Retail Marijuana Stores shall contain the Statement, "It is illegal to transfer or sell marijuana or marijuana products to anyone under the age of 21."
- K. All Retail Marijuana Establishments shall post a sign in a conspicuous location stating:
  - 1. IT IS ILLEGAL TO SELL OR TRANSFER MARIJUANA TO ANYONE UNDER THE AGE OF TWENTY-ONE.
  - 2. IT IS ILLEGAL TO SEND OR TRANSPORT MARIJUANA TO ANOTHER STATE.
  - 3. THE POSSESSION OF MARIJUANA REMAINS A CRIME UNDER FEDERAL LAW.
- L. A Marijuana Establishment shall be equipped with a proper ventilation system that filters the odor of marijuana.
- M. It is a violation of the terms and conditions of every license issued under this Chapter for a Licensee to fail to comply with any regulation governing the collection and administration of any state or local tax, including the countywide sales and excise taxes proposed by Resolutions No. 13-186 and 15-203 and approved respectively by votes of the electors of Pueblo County. If the Local Licensing Authority finds that a Licensee has violated this provision, it may impose all available sanctions, including revocation and sanctions specifically tailored to secure payment of any unpaid tax.

## **PART 4 – Applications**

## (Sections 5.12.120 through 5.12.160)

### **5.12.120** Applications Generally

## A. Application Requirements.

- 1. All applications must comply with this Chapter and the Colorado Marijuana Code. Local Licensing Authority application procedures shall be set by the Licensing Agent through published forms and policy.
- 2. Any application procedures not specifically addressed in this Chapter or in published forms or policy shall be determined by the Licensing Agent.
- 3. All applications shall comply with Title 17, Division 1, Zoning of this Code and, when required, all applicants shall first receive a completed ZCRM before filing an application with the Licensing Agent.
- 4. All applications shall be filed along with payment or proof of payment and held for a pre-acceptance review period not to exceed thirty days. Filed applications shall be complete.
- 5. The Licensing Agent shall not accept, and the Board shall not act upon any application that is subject to restriction pursuant to this Chapter.

# B. Application Completeness.

- 1. If, after review, an application is found to be complete, the Licensing Agent shall formally accept the application and note the date of formal acceptance. The applicant shall be notified of the formal acceptance.
- 2. If, after review, an application for a new license is found to be incomplete, the Licensing Agent shall proceed as follows:
  - A. The Licensing Agent shall notify the applicant of deficiencies with the application and permit the applicant to resubmit the application to correct such deficiencies no later than 30 days after being informed of the deficiencies.
  - B. The Licensing Agent shall deny the application of an applicant who fails to correct identified deficiencies within 30 days after being informed of such deficiencies.
  - C. If an application is denied for a failure to correct deficiencies the applicant shall be entitled to a refund of the application fee.
- 3. If, after review, any other application is found to be incomplete, the Licensing Agent shall proceed as follows:
  - A. The Licensing Agent shall reject and return the application to the licensee or applicant.
  - B. Such licensee or applicant shall be entitled to a refund of the application fee but may permit the Licensing Agent to hold the deposited fee pending resubmission, if resubmission is permitted.

- 4. If an application is denied or rejected then the applicant must submit a new application with a new application date, if resubmission is permitted.
- C. If after formal acceptance under Section 5.12.120.B(1), the Licensing Agent later discovers that the application is incomplete or otherwise deficient, the Licensing Agent shall permit the applicant or licensee to amend the application within thirty days without altering the accepted status of the application. If, however, the deficiency has not been cured within that time, the Licensing Agent shall reject and return the application.
- D. If an application has been approved by the Local Licensing Authority but the approved action has not been completed within one year of approval, then the application will become invalid unless an extension has otherwise been approved by the Local Licensing Authority. The Licensing Agent has the discretion to approve extension requests that do not otherwise require approval from the Board or Hearing Officer.

# 5.12.130 New Applications

- A. The standards set forth in this Section apply to New Applications and the applicant bears the burden in demonstrating compliance with these standards for approval.
- B. To approve a New Application, the Board must find as follows:
  - 1. The applicant is neither prohibited from holding a license under nor in clear violation of any provision of this Chapter or of the Colorado Marijuana Laws;
  - 2. The applicant is qualified to operate a marijuana establishment in compliance with the provisions of this Chapter and the Colorado Marijuana;
  - 3. The operation of the proposed establishment is generally consistent with the nature of the neighborhood and will not adversely affect the public health, safety, or welfare of the neighborhood;
  - 4. The applicant has made no material misrepresentations on its application or other documents submitted or provided to the Licensing Agent in advance of the hearing or through evidence presented at the hearing itself; and
  - 5. For an establishment located in a Residential Area, there is a desire among the owners and tenants for the establishment, as demonstrated by petitions, remonstrances, or otherwise.
- C. <u>State Application</u>. The state application shall be incorporated into the local application and, if the same has not been provided by the Colorado Marijuana Enforcement Division, the applicant must submit a copy of its state application along with its local application. Any representations made in the state application shall be considered as representations made to the Local Licensing Authority.
- D. <u>Amendments.</u> The Licensing Agent may permit amendments to a submitted application that are consistent with local restrictions on Marijuana Establishments, except that no amendment to change the applicant or license type or types listed in a submitted application shall be permitted. If the Licensing Agent permits an amendment, the Licensing Agent is authorized to approve on behalf of the Local Licensing Authority any application or request

- to the State Licensing Authority to make the same change in the related state application or state license.
- E. <u>Scheduling Hearing</u>. Unless an application is approved directly by the Licensing Agent as provided in this Chapter, a public hearing shall be scheduled for every application for a new marijuana establishment license and for change of location.
  - 1. <u>Timing.</u> The Licensing Agent shall schedule a public hearing upon the application to be held not less than 30 days after the date of the determination of completeness. Unless an applicant is able to demonstrate extraordinary circumstances, no hearing on an application for a new Retail Marijuana Establishment shall be held until the applicant has received its state license for the same.
  - 2. Public Notice. The Licensing Agent shall post and publish public notice of such hearing not less than ten 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, further, by publication in a newspaper of general circulation in Pueblo County. Notice given by posting shall include a sign, not less than 22" wide and 26" high, composed of letters not less than one inch in height and stating the type of license applied for, the date that the application has been determined to be complete, the date of the hearing, the name and address of the applicant and such other information as may be required to apprise the public of the nature of the application. The sign shall also contain the names and addresses of the officers, Licensing Agents, or managers of the facility to be licensed. The notice given by publication shall contain the same information. If the building in which the marijuana is to be manufactured, cultivated, or sold is in existence at the time of the application, a sign shall be posted in such place so as to be conspicuous and plainly visible to the general public. If the building is not yet constructed at the time of application, the applicant shall post a sign at 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.
  - 3. <u>Initial Findings.</u> No less than five days prior to the date of a scheduled public hearing on a license application, the Licensing Agent shall issue a memorandum, based upon his or her investigation and review of the application to date, containing initial findings and recommendations concerning the requirements of and standards of approval for an application. The memorandum shall be directed to the applicant and copies of the same shall be made available to members of the public who request it. The memorandum shall not bind the Board, but, if the findings and recommendations are not rebutted, the Board may accept the memorandum as sufficient evidence to make a decision consistent with the Licensing Agent's recommendation.

#### F. Hearings.

- 1. At a public hearing for an application submitted under this Chapter, the Board may consider the following evidence:
  - a. The application;
  - b. Information submitted by the applicant in connection with the application;

- c. Findings, reports, and other information submitted by staff; and
- d. Evidence presented at the hearing by staff, the applicant, persons associated with the applicant, persons in favor of the application and persons opposed to the application.
- 2. Subject to the restrictions of this subsection F, an application for a new marijuana establishment license or for change of location may be approved by vote of the Board without opening or holding a hearing. Any such approval may take place only at the meeting for which the hearing on the application is scheduled. The meeting agenda shall announce each such application, and if any member of the public intending to oppose the application, any board member, or member of staff requests that a hearing be held, the hearing on the application shall be opened and held
- 3. A hearing must be opened and held for every application for a Medical Marijuana Store License, a Retail Marijuana Store License, or any license to be located within a Residential Area.
- G. Written Decision. Within 40 days after the meeting, the Local Licensing Authority shall issue its decision approving or denying an application for local licensure. The decision shall be in writing and shall state the reasons for the decision. The Local Licensing Authority shall send a copy of the decision by certified mail to the State and to the applicant at the address shown on the application. Any decision approving a license application may include certain conditions imposed by the Local Licensing Authority in addition to compliance with all of the terms and conditions of this Chapter and compliance with the Colorado Marijuana Laws.

### 5.12.140 License Renewals.

- A. <u>Timing</u>. A licensee shall apply for the renewal of an existing license to the Local Licensing Authority not less than 45 days prior to the date of the expiration of the license.
  - 1. A licensee whose license has not expired or has expired for not more than 45 days may file a late renewal application upon the payment of a nonrefundable late license fee of \$1000 to the Local Licensing Authority. No renewal application or application resubmission shall be accepted less than 45 days prior to the date of expiration of the license without a payment of the late fee.
  - 2. A licensee may not operate past the expiration of a license unless the licensee has received notice of formal acceptance of the application pursuant to Section 5.12.120.B (1) prior to the expiration of the license. Any licensee whose license expires while an application is still pending during a review of completeness, or without any submission of a renewal application, shall cease operation immediately upon expiration of the license. A licensee may resume operation only after receiving notice of formal acceptance of a completed application. Any licensee who operates past the expiration of their license without notice of formal acceptance shall be subject to violations.
  - 3. A licensee whose license has expired for not more than 45 days may file a renewal application pursuant to all other requirements in this Section. The Local Licensing Authority shall not accept any renewal application for a license that has expired for

- more than 45 days. If a licensee's application is rejected for incompleteness more than 45 days after the expiration of the license, then the Local License Authority shall not accept any resubmission of the application.
- 4. In the event a license is renewed after the expiration of the previous license, including by a late renewal application, the term of the renewed license shall run to the date one year following the date the previous license expired.
- 5. It is the obligation of the licensee to know all timing requirements under this Chapter and to submit their application on time. Nothing in this subsection shall give any licensee any claims to priority or exceptions for the application review process of the Local Licensing Authority.
- B. The Licensing Agent or Local Licensing Authority may schedule a hearing on the application for renewal if it appears that one or more circumstances exist that may justify an adverse decision.
- C. The Local Licensing Authority may refuse to renew a license if it finds one or more of the following:
  - 1. The licensee or applicant has violated, does not meet, no longer meets, or has failed to comply with any of the terms, conditions, or provisions of this Chapter or of the Colorado Marijuana Laws;
  - 2. The licensee or applicant has failed to comply with any special terms or conditions that were placed on its license pursuant to an order of the State Licensing Authority or of the Pueblo County Liquor and Marijuana Licensing Board as the Local Licensing Authority;
  - 3. The licensed premises have been operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the establishment is located;
  - 4. The Local Licensing Authority determines that the licensed premises have been inactive, without good cause, for a period of at least one year. It is the discretion of the Local Licensing Authority to determine whether a license has been active based upon the evidence and documentation submitted.
- D. If the Local Licensing Authority finds after a hearing held pursuant to this section that there are grounds to refuse to renew, it may consider, except as otherwise required, the severity, frequency, and number of prior violations in deciding whether to refuse to renew the license.
- E. If the Local Licensing Authority finds after a hearing held pursuant to this section that there has been a violation of a license condition, this Chapter or of the Colorado Marijuana Laws, the Local Licensing Authority has the discretion to apply a condition, fine, and/or suspension to the license in lieu of a refusal to renew the license. Any fines or suspensions shall be consistent with Section 5.12.100.H.
- F. In the event that a hearing is scheduled, notice of such hearing shall be posted on the licensed premises for a period of 10 days prior to the hearing and the applicant shall be notified of such hearing at least 10 days prior to the hearing. Notification may be made electronically. No renewal application shall be denied without a hearing.

## 5.12.150 Transfer of Ownership - Change of Owners - Change in Structure.

A. A license or approval order granted under the provisions of this Chapter shall not be transferrable to any other person except as provided in this Chapter. Furthermore, no change of owners or change in ownership structure for a licensed or approved business shall be permitted except as provided in this Chapter.

## B. Transfer of Ownership.

- 1. For a license to be transferred to a different individual, legal entity, or legal entity name, the license holder shall apply to the State on forms prepared by the State Licensing Authority and the Local Licensing Authority pursuant to any forms and policy published by the Licensing Agent.
- 2. A license will be subject to the transfer of ownership requirements even if both legal entities are owned by the same individual or entity.
- 3. A transfer of ownership shall be treated as a new application, except that a valid license operating in the jurisdiction of the Local Licensing Authority may be transferred even if the license type has met the cap restrictions set forth in this Chapter.
- 4. A conditionally approved application may not be subject to a transfer of ownership.
- 5. The Local Licensing Authority may conditionally approve the transfer of ownership and withhold the license from the new owner until the conditions of licensure are met.
- C. Change of owners or change in ownership structure require that a license holder shall apply to the State on forms furnished by the State Authority and to the Local Licensing Authorities pursuant to forms and policy published by the Licensing Agent. All new owners of a license are liable for any conditions or restrictions placed of the license or for any unresolved violations that the license was subject to.
- D. All other changes in operating or corporate structure shall be reported to the Local Licensing Authority pursuant to forms and policy published by the Licensing Agent.
- E. The Local Licensing Authority may hold a hearing on an application submitted under this section. No less than 5 days prior to the date of a hearing on an application submitted under this section, the Licensing Agent shall make known, based upon his or her investigation and review of the application to date, findings concerning the application.

## 5.12.160 Change of Licensed Location.

- A. A licensee or conditionally approved applicant within unincorporated Pueblo County may apply to the Local Licensing Authority to change the location previously applied for or approved for such license to any other approved place in unincorporated Pueblo County, but it shall be unlawful to cultivate, manufacture, process, distribute, test, store or sell medical or retail marijuana at any such place or location until express permission to do so is granted by the State and the Local Licensing Authority.
- B. To approve an application for change of location made under subsection A of this Section, the Local Licensing Authority must make the finding set forth in subsection B.1., B.3., B.4., and,

- if applicable, B.5 of Section 5.12.130. The Local Licensing Authority shall also consider any specific condition or restriction placed upon the current license or approval order.
- C. Notwithstanding any provision of this Chapter to the contrary, no change of licensed location application for a Medical Marijuana Store License or a Retail Marijuana Store License operating at the same location under the provisions of Section 5.12.060.G shall be received, accepted, or approved unless such application is to relocate both the Medical Marijuana Store License and the Retail Marijuana Store License to a new single location. In addition, no change of licensed location application for a Medical Marijuana Cultivation Facility or a Retail Marijuana Cultivation Facility operating at the same location under the provisions of Section 5.12.060.G shall be received, accepted, or approved unless such application is to relocate both the Medical Marijuana Cultivation Facility License and Retail Marijuana Cultivation Facility License to a new single location.
- D. Retail Marijuana Establishment licensees in any other Colorado jurisdiction seeking to transfer its state license to a location in unincorporated Pueblo County must apply for a new Pueblo County license by submitting an application under Section 5.12.130 of this Chapter, if permitted. Such an applicant shall be treated as a new applicant under this Chapter for all purposes, except that the applicant may submit its state application for change of location in place of a state application for a new license. It shall be unlawful for such an applicant to cultivate, manufacture, distribute, test, store or sell medical or retail marijuana at any such place or location until express permission to do so is granted by the State and the Local Licensing Authority.

### PART 5 – Fees and Miscellaneous

### (Sections 5.12.170 through 5.12.180)

#### 5.12.170 Fees.

- A. Operating fees and all other fees necessary for the administration, regulation, and implementation of this Chapter are as follows:
  - 1. Initial Operating Fees
    - a. Medical Marijuana Cultivation Facility: \$4000
    - b. Medical Marijuana Products Manufacturer: \$4000
    - c. Medical Marijuana Store: \$5000
    - d. Retail Marijuana Cultivation Facility: \$4000 plus:
      - i. Licenses that are State Tier 1: \$1500
      - ii. Licenses that are State Tier 2: \$2300
      - iii. Licenses that are State Tier 3: \$3000
      - iv. Licenses that are State Tier 4: \$4500
      - v. Licenses that are State Tier 5: \$6500
      - vi. Licenses that are over State Tier 5: \$800 for each additional tier of 3,600 plants over State Tier 5
    - e. Retail Marijuana Products Manufacturer: \$4000
    - f. Retail Marijuana Store: \$5000

- g. Medical Marijuana Testing Facility: \$1500
- h. Retail Marijuana Testing Facility: \$1500
- i. Medical Marijuana Transporter: \$4400
- j. Retail Marijuana Transporter: \$4400
- k. Storage Warehouse: \$1500
- 2. Administrative Operating Fees
  - a. Change of location applications and transfer of ownership applications shall be treated as initial applications and the applicable initial operating fees shall apply.
  - b. Change of Trade Name Fee: \$50
  - c. Change of Ownership Fee: \$250
  - d. Modification of Premise Fee: \$250, plus any applicable operating fee if the application is made for a Retail Marijuana Cultivation Facility and there is a change in State Tier level.
- 3. Annual Renewal Fees
  - a. Medical Marijuana Cultivation Facility: \$4000
  - b. Medical Marijuana Products Manufacturer: \$4000
  - c. Medical Marijuana Store: \$5000
  - d. Retail Marijuana Cultivation Facility: \$4000 plus:
    - i. Licenses that are State Tier 1: \$1500
    - ii. Licenses that are State Tier 2: \$2300
    - iii. Licenses that are State Tier 3: \$3000
    - iv. Licenses that are State Tier 4: \$4500
    - v. Licenses that are State Tier 5: \$6500
    - vi. Licenses that are over State Tier 5: \$800 for each additional tier of 3,600 plants over State Tier 5
  - e. Retail Marijuana Products Manufacturer: \$4000
  - f. Retail Marijuana Store: \$5000
  - g. Medical Marijuana Testing Facility: \$1500
  - h. Retail Marijuana Testing Facility: \$1500
  - i. Medical Marijuana Transporter (2-year): \$4400
  - j. Retail Marijuana Transporter (2-year): \$4400
  - k. Storage Warehouse: \$1500
- B. Tier levels are based on the State Tiers and shall always correspond with the Tier level that the applicant currently has with the State. If, at any time prior to a renewal application, a licensee increases their Tier level they shall be required to report the change to the Local Licensing Authority and pay the difference in fees between the new higher Tier and the previous lower Tier. If a licensee increases their Tier level at the time they submit a renewal application, they may do so through the renewal application and only pay the Tier level fees associated with the renewal application. If a licensee lowers their Tier level prior to a renewal application, they shall not have any claim to a refund of previously paid fees.
- C. The Licensing Agent shall have the discretion to waive a tiered fee if the timing of submission of the fee would result in the licensee paying the fee twice.

D. At least annually, the amount of fees charged pursuant to this section shall be reviewed by the Budget and Finance Office and, if necessary, adjusted to reflect the direct and indirect costs incurred by the County in connection with the administration and enforcement of this chapter. The Local Licensing Authority by rule or regulation shall set the due dates for any fee due pursuant to this section.

### 5.12.180 Miscellaneous.

- A. <u>Marijuana Accessories</u>. Any person twenty-one years of age or older is hereby authorized to manufacture, possess, distribute, sell, or purchase marijuana accessories in conformance with Section 16 of Article XVIII of the Colorado Constitution, provided they meet all applicable state or local laws.
- B. <u>Severability</u>. If any provision of this Chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Chapter that can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared to be severable.