



city of
PUEBLO
colorado

**BACKGROUND PAPER FOR PROPOSED
RESOLUTION**

COUNCIL MEETING DATE: December 27, 2016

TO: President Stephan G. Nawrocki and Members of City Council

CC: Sam Azad, City Manager

VIA: Gina Dutcher, City Clerk

FROM: Steven Meier, Director of Planning and Community Development

SUBJECT: A RESOLUTION ADOPTING THE RETAIL MARIJUANA RULES AND REGULATIONS

SUMMARY:

The Retail Marijuana Rules and Regulations incorporate the existing Retail Marijuana Establishment Ordinance and the Retail Marijuana Stores Ordinance into one clear and concise document. The Retail Marijuana Stores Ordinance is scheduled for final presentation on December 27, 2016 following City Council action on this Resolution. These Rules and Regulations also provide the thorough information necessary to conduct the point system review for Retail Marijuana Stores.

PREVIOUS COUNCIL ACTION:

An Ordinance establishing the regulations for Retail Marijuana stores will be heard concurrently with this item.

BACKGROUND:

The document contains the following rule series and within each rule series are specific requirements for retail marijuana establishments. These rule series and requirements are outlined below:

Rule 100 Series: General Applicability

The General Applicability section of the document provides the background information for the entire document. These include the purpose and intent of the document, the definition of terms found in the retail marijuana licensing ordinance, the effective date of the regulations (December 28, 2016), relationship to other laws and severability.

Rule 200 Series: Licensure

The Licensure section of the document provides the information regarding the Retail Marijuana Authority that was created in the Retail Marijuana Licensing Code, and it outlines the powers that the Authority is granted through the Code. This section also provides information on the licenses available in the City of Pueblo and additional information about the licenses that are available.

Rule 300 Series: Application

The Application section of the document provides the information required in order for an applicant to process an application. For Retail Marijuana Stores, this includes the dates the Authority will accept applications, and the pre-licensing process. For all Retail Marijuana Establishments, this section also outlines what is required to be turned in with an application, how many copies to submit, and how to make amendments of an application submitted.

Also in the Application section, the fees for licensing and zoning are provided. These fees include the application fees as well as the operating fees. Also, this section designates when fees must be paid and if refunds are allowed, depending on the type of fee paid, and when the refund is requested.

This section also provides information for coordination of applications with the State.

Rule 400 Series: Licensing Procedure

In the Licensing Procedure section, the procedure that the Clerk to the Authority, and the Authority will follow for review of all applications submitted. The first review is completed by the Clerk to the Authority to determine if the application submitted is complete. Once the Clerk determines that application is complete, the Authority will conduct a review of the application. This review includes an initial review of all applications, and if the applicant passes the initial review criteria, outlined in this section, the Authority will conduct the bonus point review for retail marijuana stores.

Rule 500 Series: Hearing Procedures

Next, information is provided for the hearing procedures, which includes how notice for hearings shall be given, procedure for how the hearings shall be conducted, how discovery and subpoenas are handled, burden of proof required, evidence, and standing.

Rule 600 Series: Local License Hearing

Rule 600 Series provides how the hearing is conducted. It provides the criteria for which the Authority must review applications, the maximum number of store

licenses allowed, limitations on number of licenses issued per person or entity, and conditions that the Authority may place on an application. This rule also provides the information on how to proceed if the licensed premises is incomplete at the time of license approval. Lastly, this rule provides the information on the criteria that must be met prior to issuance of a license.

Rule 700 Series: License Requirements

Rule 700 series provides information on the license itself: the term of the license, how to renew the license, expired licenses, and the procedure the renewal of a license. Rule 702 provides the criteria for modifying the premises, and how to get those modifications approved, prior to the changes being made. Sections 703 and 704 provide the criteria for changes to the ownership structure and change to the location, in that order. This section also regulates how other changes are made to the license, whether major or minor.

Rule 800 Series: Requirements

This Series provides the requirements for all retail marijuana establishments in the City of Pueblo. This includes general requirements, which provide the information on the operating plan and business plan. Also, Rule 802 provides the requirements for submittal of a security plan and the requirements by which the Authority must review the security plan. Rule 803 provides the minimum requirements for video surveillance, which is not specifically addressed in the Ordinance. This rule designates the location of cameras, the required equipment, and maintenance of surveillance equipment. Rule 804 provides the criteria for creating limited access areas within the licensed premises. The next several rules provide requirements for age limitations, hours of operations, access, documents to be displayed, requirements for the owner or manager to be present, sales limitations requirements associated with trade names, trademarks, logos, labels, packaging and advertising, maintaining books and records, separation of marijuana establishments, visibility of operations, organization of cultivation facilities, general building requirements, exterior requirements, odor management, mechanical and electrical equipment and requirements for the licensee, principals, registered manager and employees.

Rule 900 Series: Land Use and Zoning

The land use and zoning series provides a section dedicated to just zoning requirements. This includes definitions from the zoning code, the Zone Districts where the uses are allowed, and requirements for the conditional use permits required by the zoning code. In addition, this section provides the requirements for a fixed location, and lists the uses related to marijuana that are not permitted.

Rule 1000 Series: Inspections

This series provides the standards for inspections, when inspections should be completed, and gives police, fire, building, zoning, code enforcement, tax and

health officials that authority to inspect the premises, even without search warrant and without reasonable suspicion to believe a violation or criminal offense has occurred. This section also addresses inspection of the business records, and provides criteria for the licensee, principals, registered manager and employees to respond to information requested by City officials.

Rule 1100 Series: Violations and Penalties

Rule 1100 Series provides the information on violations and penalties. This section provides criteria for sanctions, summary suspension, imputing knowledge and violations to the license, the effects of sanctions, and the basis for suspension, revocation or denial. This section also provides criteria for what is allowed to be done at the business during suspension, what constitutes unlawful acts, and penalties for failure to comply.

FINANCIAL IMPLICATIONS:

None.

BOARD/COMMISSION RECOMMENDATION:

The Marijuana Authority, at their April 16, 2015 Regular Meeting, voted 4-0 to recommend approval with minor changes to the point system. Those changes have been incorporated into the document.

STAKEHOLDER PROCESS:

The Rules and Regulations are based on the approved Ordinances, which went through a significant amount of public review and testimony.

ALTERNATIVES:

If the Marijuana Rules and Regulations are not approved, we will not have a point system for review of the retail marijuana stores and we will not have a clear and concise document to provide to applicants who are interested in the process and regulations for retail marijuana stores.

RECOMMENDATION:

Approve the Resolution.

Attachments: Retail Marijuana Rules and Regulations

RESOLUTION NO. 13591

A RESOLUTION ADOPTING THE RETAIL MARIJUANA
RULES AND REGULATIONS

WHEREAS, the Marijuana Authority voted to recommend approval of the Retail Marijuana Rules and Regulations; and,

WHEREAS, the Retail Marijuana Rules and Regulations have been created to properly administer and enforce the Retail Marijuana Chapter; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1.

The attached Retail Marijuana Rules and Regulations are hereby adopted.

SECTION 2.

The officers and staff of the City are directed and authorized to perform any and all acts consistent with the intent of the Resolution and the attached agreement to effectuate the transaction described therein.

SECTION 3.

This Resolution shall become effective immediately upon passage and approval.

INTRODUCED: December 27, 2016

BY: Robert Schilling
Councilperson

APPROVED: 
PRESIDENT OF CITY COUNCIL

ATTESTED BY: 
CITY CLERK