

Summary of Marijuana Regulations

On September 26, City Council will consider amendments to the Longmont Code of Ordinances regarding the sale of marijuana in Longmont. Specifically, these amendments will establish the following:

**Marijuana Licensing Authority**

* Municipal Judge acts on behalf of the authority

**Marijuana Selection Division**

* Members
  + Municipal Court Judge
  + Director of Community Services
  + Public Safety Chief
* Duties
  + Adopts rules of procedure
  + Selects four marijuana stores to operate in Longmont
  + Approves or denies renewals, changes to business location/structure/facilities
* Staff of the Authority and Selection Division
  + Legal counsel—City Attorney
  + Secretary—City Clerk
  + Technical Advisory Committee (TAC)—representatives from Police, Fire, Planning, Community & Neighborhood Resources, City Manager’s Office, City Clerk’s Office, Finance Department
    - Review applications
    - Provide recommendations to Selection Division

**Application Requirements**

* General Conditions
  + Applications subject to Colorado Open Records Act
    - Applicants will submit a redacted version of their application for City website posting
  + Must be at least 250 feet from of a residentially zoned area and 1000 feet of any K-12 school
  + Allowed in Commercial, Regional Commercial, Mixed Industrial and Business Light Industrial Zones
  + One application per physical location/address
  + One application per company; people with ownership interest can apply for one license
  + Recreational and Dual Recreational/Medical Licenses allowed; Medical-only license prohibited
  + Allowed hours of operation are 8:00 a.m. to 10:00 p.m. daily
* Cover letter—one page
* Check with Operating Fees for year one of operation
  + Checks to be cashed only if license granted
* Background of applicants, owners, directors and key staff
  + Background checks
  + Photo IDs
  + Fingerprints
  + Statement of violations and penalties for any infractions or offenses related to any other marijuana establishment
* Site control plan
  + Detailed description, address, floor plan, and vicinity map of the proposed location
  + Description of site improvements proposed and the land development approvals required
  + Zoning verification letter from City Planning Division
  + Proof of applicant site control (i.e. proof of ownership or conditional lease)
* Business Plan
  + Description of the business, past experience in the marijuana industry or other industries, a market analysis, and a marketing plan
  + Description of management and operations including staffing plans, hours of operation
  + Financial information, proof of banking relationship, liquid assets of $250,000, financial projections, sources of funds including identity of all financiers
  + Description of applicant’s experience operating licensed marijuana businesses
* Security Plan
  + Evidence that the premises will comply with all security and video surveillance requirements
  + Site plan with security aspects noted
  + Floor plan/building plan with security aspects noted
  + Security training plan for employees and incident management information
  + Delivery, opening and closing procedures
  + Plans for disposing of unused product and plans for preventing underage sales
* Community Outreach Plan
  + History of community and neighborhood involvement
  + Policies and procedures to address community concerns and complaints
  + Designated point of contact for questions and concerns
  + Measures to mitigate impacts to the neighborhood
* Odor management plan
* Optional Plans
  + Relationship of establishment to Envision Longmont and Longmont Sustainability Plans
  + Employment plan describing commitment to a diverse workforce of Longmont residents

**Application Review Process**

1. City receives applications
2. Comment Period—30 days after deadline to receive applications
   1. Any person may comment on the applications
3. Selection
   1. Selection division will make selections based on a multi-factor balancing test, considering all circumstances, with the overall goal of selecting those applications which provide the greatest benefit to the city and inhabitants and maintain the safest environment, best service, and the fewest negative impacts to the community

**Factors Considered in the Selection Process**

* Whether the application is for a location already licensed by the state and serving as a retail marijuana store outside the city and proposed to be annexed into the city
* Applicant’s experience operating a licensed marijuana business in Colorado, including compliance with state and local laws, or violations thereof
* Moral character of the applicant and the applicant’s officers, directors, owners, or employees
* Impact of the proposed establishment on the neighborhood surrounding the proposed location, the community as a whole, and the natural environment, and the applicant’s commitment to take specific measures to mitigate such impacts
* Convenience of the proposed location to the residents of the city, considering any synergies, redundancies, or conflicts posed by the proposed locations of other applications and existing establishments
* Compatibility of the proposed location with the surrounding properties, including aesthetic considerations
* Apparent conformity of the application to the zoning of the proposed location, as an initial matter and with the understanding that full land use review would follow the award of a conditional license
* Diversity of retail choices the applications would bring to the city
* Applicant’s ability to demonstrate, through a business plan, its ability to operate and develop the proposed establishment in a highly regulated industry
* Applicant’s demonstrated ability to operate an effective and lawful analogous business in the city
* Diversity of ownership of the selected applications, including consideration of ownership of any active licenses or establishments outside but near the city limits
* Quality and detail of the proposed security plan, business plan, community outreach plan, and any sustainability or employment plan
* Clarity of the applicant’s site control of the proposed location
* The potential for crime in the proposed location
* Degree of detail and completeness provided in the application, and the extent to which the application includes false or misleading information
* Other unique benefits the application would present to the inhabitants of the city.

**Time Limits for Starting Business**

* Must open within six months of award of the conditional license
* If annexing into the City of Longmont, must open business within 18 months

**Other Rules after Obtaining License**

* Business must provide information to the authority if or when
  + Laws regarding marijuana change at the state or local level which affect operations
  + Owners or key employees are charged or convicted of a crime
  + The business receives of a notice of any state or local code violation
  + Transfer of ownership and changes in business structure
* Licenses cannot be changed or transferred to another location.
* Modifications to the building or site must be submitted to and approved by the authority
* The term of the license is one year; a renewal application is required annually; if a business fails to submit a renewal application, the license expires and the business must close
* Grounds for denial of an application
  + Good cause
  + Lapse or failure to renew
  + Failure to pay fees, taxes, fines and interest
  + A finding that the licensee, owner or key staff member is no longer of good moral character
  + Materially false statements on an application form
  + Failure to maintain a valid state issued license or state/local laws
  + Failure to comply with approved plans
* If a license if deactivated, the authority will initiate the selection process outlined above
* Sales and tax licenses must be conspicuously posted near the main entrance to the business
* The business must provide the authority with the name and contact information of the manager(s) of the business and notify the authority of any change to management
* The business must grant the authority the right to inspect the property, included but not limited to inspecting for life-safety rule compliance, inspection of business records and criminal activity reports
* The ordinance identifies and describes a number of additional prohibited acts

**Disciplinary Actions and Penalties**

* The authority may establish and enforce all rules, following the processes and procedures outlined in the governing ordinance.