

Marijuana Licensing Work Group (MLWG)

Meeting #1

May 14, 2020

1:00 – 3:30 p.m.

Topic: Marijuana Delivery Program

Agenda

- I. Welcome and Introductions
- II. MLWG Topic Roadmap
- III. MLWG Purpose and Ground Rules
- IV. MLWG Meeting Format
- V. Goals for Implementation
- VI. Incorporating Equity into Marijuana Licensing
- VII. Topic #1: Marijuana Delivery Program
- VIII. Public Comment
- IX. Next Steps



Marijuana Licensing Work Group Members

Ashley Kilroy	Co-Chair, Denver Excise and Licenses	Shawn Coleman	36 Solutions
Molly Duplechian	Co-Chair, Denver Excise and Licenses	Jaqueline Flug	Drizly, LLC
Councilwoman Kendra Black	City Council District 4	Michelle Garcia	Mayor's Office of Social Equity and Innovation
Councilwoman Candi CdeBaca	City Council District 9	Michel Holien	Denver Public Schools
Councilman Chris Hinds	City Council District 10	Henny Lasley	Smart Colorado
Kenneth Allison	All About Hemp, LLC	Clarissa Kriek	National Cannabis Industry Association
Anshul Bagga	Denver City Attorney's Office	Dan Pabon	Medicine Man Technologies
John Bailey	Black Cannabis Equity Initiative	Jessica Scardina	Vicente Sederberg LLP
Sarah Belstock	Denver Health and Hospital Authority	Ean Seeb	Governor Polis' Office
Truman Bradley	Marijuana Industry Group	Ryan Tatum	Cultivated Synergy
Diane Cooks	Montbello Resident	Art Way	Equitable Consulting
		Sarah Woodson	The Color of Cannabis

Viewers: Please email MarijuanaInfo@denvergov.org to confirm attendance and receive future updates, minutes, or other communications.

MLWG Topic Roadmap

- ☐ May 14, 2020 – Marijuana Delivery Licensing and Program
- ☐ May 28, 2020 – Marijuana Hospitality and Sales Licensing and Program
- ☐ June 11, 2020 – Equity Program for all Marijuana License Types
- ☐ June 25, 2020 – Miscellaneous Marijuana Licensing Topics

All meetings will be held via Microsoft Teams Live, unless otherwise indicated.

MLWG Purpose and Ground Rules

- The **purpose** of the MLWG is to review, discuss, and make recommendations on policy direction and possible marijuana licensing laws, rules and regulations.
- The MLWG is **advisory in nature**. Work Group members will review and discuss options for specific regulatory topics, and provide comments and recommendations to the City. The City may then incorporate that input into a future proposal for adoption.
 - Any ordinance changes will require approval by the Denver City Council.
- Each member of the MLWG is an equal participant in the process and has equal opportunity to voice opinions and contribute ideas.
 - As with all other advisory work groups, the work group will not necessarily be working towards consensus, but rather **we will use everyone's input to develop a proposal to bring to the Mayor and City Council**.
- MLWG members accept the responsibility to come to the meetings prepared for the discussions.
- MLWG members must commit to treating each other with respect, civility, and courtesy, whether or not they agree with one another's interests and concerns.

MLWG Meeting Format

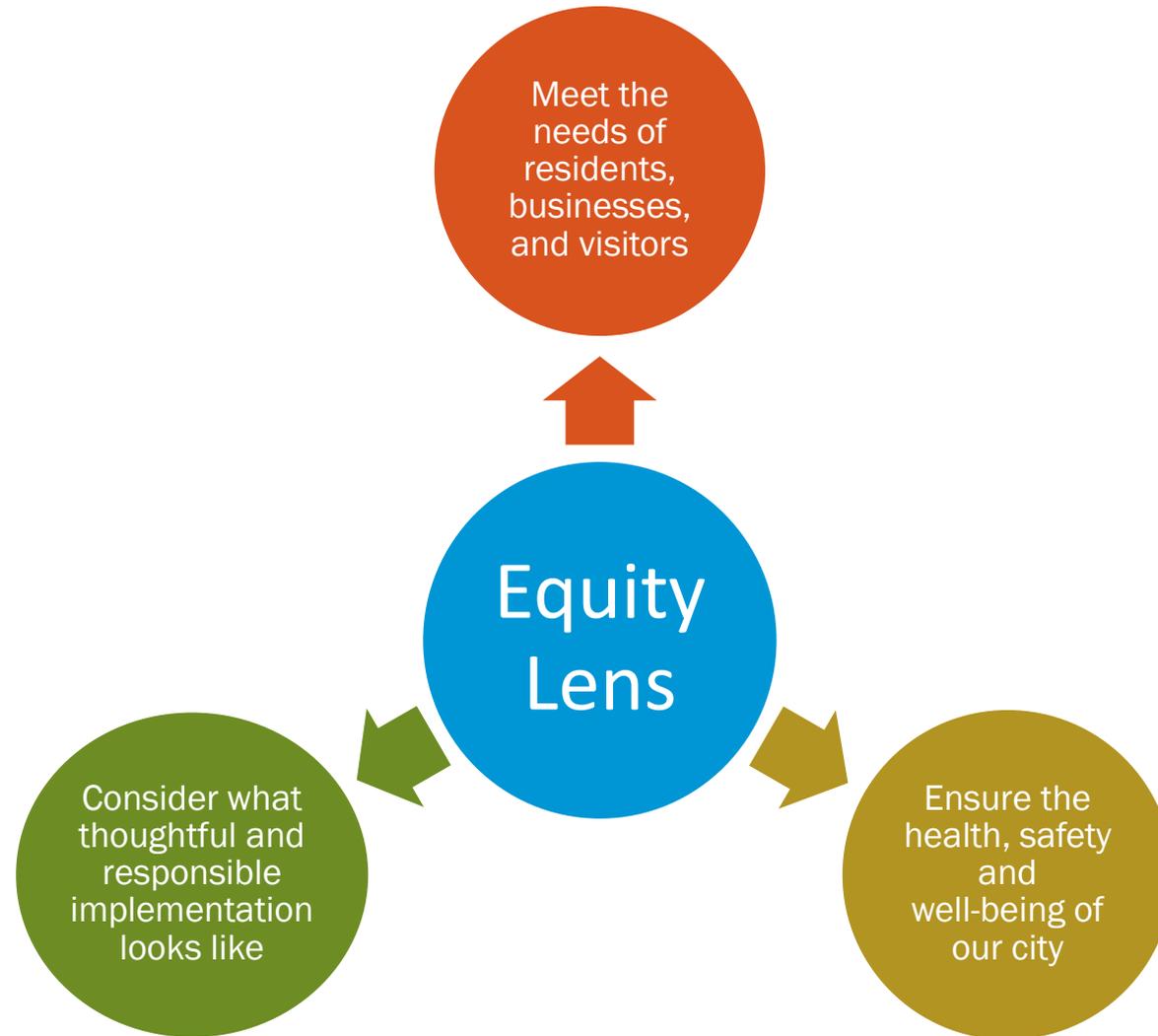
Work Group Members

- The MLWG meetings will present information for background and pose questions for discussion (denoted in this presentation by ?).
 - Any suggestions provided by the City are for the purposes of initiating and guiding the discussion.
 - The MLWG members may make suggestions in addition to what is being provided.
- MLWG members will be provided with a list of topics to be discussed in advance of each meeting.
- MLWG members will also be able to submit additional comments in writing.
- Minutes from each meeting will be available within one week of the meeting date.
- If a Work Group member has a question or would like to make a comment relevant to the discussion occurring, they are welcome to speak up but should avoid interrupting the presenters or another Work Group member.
 - For the experience of the viewing audience, **please announce your name at the beginning of your statement/question.**
 - If you do not feel as though you are given an opportunity to speak, please send a message in the “chat” stating **“I have a question.”**
 - Please **do not use the chat** for any other purposes to avoid distraction of the presenters and Work Group members.

Public Input

- MLWG meetings are open to the public and can be viewed via Microsoft Teams Live. The links for viewing the MLWG meetings will be posted at least one day prior to the meeting on the [Marijuana Laws, Rules and Regulations website](#).
- Attendees and members of the public viewing the Work Group meetings are able to send written comments to MarijuanaInfo@denvergov.org. All written comments will be shared with the Work Group members via email.
- A separate public process will also be a part of the legislative process with City Council.

Goals for Implementation



What does it mean to apply an “Equity Lens” to our work?

Mayor Hancock often mentions using an “equity lens” when thinking through new policies. But what does that mean? How will we use an equity lens in the MLWG?

Doing our work and looking at challenges and solutions with an equity lens means pausing to ask ourselves how our decisions will impact different groups. This means acknowledging that different demographic groups often experience different realities – unequal realities – and that these different groups will likely respond differently to decisions that will be made.

In the realm of marijuana legalization and licensing, we have data that shows racial and other disparities when it comes to arrests, ownership, and employment.

During this work group, we want you to think about and share your ideas about how certain licensing decisions may impact certain demographics, as well as creative ideas for practical and sustainable solutions.



What is Equity?

Definitions from the Government Alliance on Race and Equity

Inequity

Race and other characteristics of identity can be used to predict life outcomes

Examples include disproportionality in education (high school graduation rates), jobs (unemployment rate), and criminal justice (arrest and incarceration rates), among others.

Equity

Race and other characteristics of identity can no longer be used to predict life outcomes, and outcomes for all groups are improved.

What is Equity?

Examples of context-specific equity definitions from other areas

Contracting Equity

Investments in contracting, consulting, and procurement should benefit the communities Dane County serves, proportionate to the demographics in Dane County.

Workforce Equity

The workforce of Dane County government reflects the diversity of Dane County residents, including across the breadth (functions and departments) and depth (hierarchy) of the Dane County government.

SF Office of Cannabis Equity

This program aims to foster equitable participation in the cannabis industry and create business opportunities for those negatively impacted by the War on Drugs.

Creating an Equitable Marijuana Licensing Program

How can we implement provisions that are equitable, meaningful, and sustainable?

Considerations

- Short-term and long-term objectives
- Legal challenges, which sometimes result in financial burdens or licensing delays for equity applicants
- Operational challenges

Questions

- What can we learn from other cities and states?
- How can we engage state and industry partners in creating a successful, sustainable program?
- What does success look like in Denver? How will we measure it?

Topic #1 – Marijuana Delivery Program



Marijuana Delivery - Background

- Passed last year, [House Bill 19-1234](#) allowed the state to begin issuing permits for medical marijuana delivery on January 2, 2020, and begin issuing permits for retail marijuana delivery on January 2, 2021.
- Delivery of Regulated Marijuana is not permitted in any municipality unless the municipality has an ordinance or resolution that allows the delivery of Regulated Marijuana. Each city has the option to allow or prohibit delivery.
- The state delivery permit is an endorsement to an existing state marijuana store license or transporter license. Only licensed medical and retail marijuana stores and licensed medical and retail marijuana transporters may apply for a state delivery permit.

License Type	# of Locations/Licenses - Denver
Medical Marijuana Centers/Retail Marijuana Stores	332 licenses/207 locations
Medical & Retail Marijuana Transporters	8 licenses
Medical & Retail Off-Premise Storage Facilities	1 pending application/0 active

Opt-in to Marijuana Delivery



Should Denver opt in to marijuana delivery?

Considerations:

- Current concentration of marijuana outlets
- Public safety
- Public health
- Underage access
- Patient access
- Revenue impacts (to businesses and the City)
- Opportunities for new market entrants
- Customer convenience

Scaling and Sequencing



If Denver allows marijuana delivery, should it include retail marijuana delivery, medical marijuana delivery, or both and what should the timing/sequencing look like?

Considerations:

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.
- Public health
- Patient access
- Additional revenue stream
- Opportunities for new market entrantsCustomer convenience

Cross-Jurisdictional Delivery

C.R.S. 44-10-501(11)(k)(II) - "An ordinance adopted pursuant to subsection (11)(k)(I) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality's, county's, or city and county's jurisdictional boundaries to an address within its jurisdictional boundaries." (The same provision exists for retail marijuana delivery.)



Should Denver allow deliveries into the city from stores located outside the city?



Should Denver have any different requirements for cross-jurisdictional deliveries?

Considerations:

- A \$1 surcharge is placed on each delivery and is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado's Online Sales Tax rules, CO Department of Revenue will "require all businesses who sell goods to customers in their state to assess sales tax based on the customer's address, not the location of the business."
- Patient access
- Competitive advantages/disadvantages for Denver stores
- Oversight/enforcement
- Revenue impact

Hours of Operation



What should be the hours of operation for marijuana delivery in Denver?

Considerations:

- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.
- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and delivery orders to be accepted 24 hours per day, 7 days per week.
- Public Safety
- Neighborhoods
- Consumer convenience
- Patient access

Sales Limitations

Medical

MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered to a patient in a single business day:

- 2 ounces of medical marijuana
- 40 grams of medical marijuana concentrate
- Medical marijuana products containing 20,000 mg of THC

Retail

MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered to an individual in a single business day:

- 1 ounce of retail marijuana
- 8 grams of retail marijuana concentrate
- Retail marijuana products containing more than ten 80 milligram servings of THC



What should be the sales limits for marijuana delivery in Denver?

Considerations:

- The city cannot adopt sales limits higher than those set by the state.
- Patient access
- Public Safety

Marijuana Delivery via Transporters

A transporter may only conduct deliveries pursuant to a contract with a licensed marijuana store:

MED Rule 3-615(E)(6) - Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.



Should Denver create a delivery permit for which both licensed stores and transporters may apply?

Considerations:

- Only licensed medical and retail marijuana stores and licensed medical and retail marijuana transporters may apply for a state delivery permit.
- Opportunities for new market entrants

Health, Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.



Should Denver consider any additional camera coverage?

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to \$10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to \$2,000.00 in retail value of marijuana.



What should be the limits in Denver for the amount of retail value marijuana a delivery vehicle can hold?



Are there any other health, safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

Barriers to entry for Marijuana Delivery Licensing



What barriers to entry might exist for starting a marijuana delivery business?

Considerations:

- Capital/Start up costs
- Legal barriers
- Application/Licensing Fees
- Community Engagement
 - Social Impact Plans
 - Evidence of Community Support
- Public Hearing
- Other?

Equity in Marijuana Delivery Licensing



How can equity be reflected in marijuana delivery licensing?

Considerations:

- Caps or limits on number of licenses available
- Reserve certain number of licenses for new market entrants
- Scaling and sequencing of licensing
- Legal Challenges
- Other?

Marijuana Delivery Licensing



Anything else relevant to Marijuana Delivery Licensing in Denver the Work Group should consider?



Public Comment

Attendees and members of the public viewing the Work Group meetings are able to send written comments to MarijuanaInfo@denvergov.org. All written comments will be shared with the Work Group members via email.



Next Steps

Written Comments can be submitted to MarijuanaInfo@denvergov.org

Next meeting – May 28, 2020 at 1:00 – 3:30 p.m.