

MEMORANDUM

TO: Lake City Board of Trustees
Leslie Klusmire, Town Manager

FROM: Masters & Sellars, P.C.

DATE: February 26, 2014

RE: Amendment 64 - Recreational/Retail Marijuana

The purpose of this memo is to provide the options for the Town in addressing retail or recreational marijuana.

Types of Licenses:

- A. Retail Marijuana Store
- B. Retail Marijuana Cultivation Facility License
- C. Retail Marijuana Products Manufacturing License
- D. Retail Marijuana Testing Facility License

Options:

1. Implement regulations by ordinance for any or all of the above types of licenses. The following issues may be addressed through local regulations:
 - a. Time
Example: Hours of Operation
 - b. Manner of Sale
Example: All sales must occur out of the view of the public or all marijuana must be secured and only accessible by employees or owners of the establishment.

- c. Place
Example: Zoning Districts where activity is permitted
 - d. Number of Establishments
 - e. Local Licensing requirements
 - f. Fees. A local jurisdiction is permitted to impose operating fees if the local jurisdiction has a local licensing requirement.
2. Enact a prohibition by ordinance any or all of the above types of licenses.
 3. Put the question of whether to allow or prohibit any or all of the above types of licenses in the November 2014 ballot.

Local Licensing/General Regulations Basics

Any local jurisdiction may enact regulations regarding time, place, manner and number of establishments and may include a local licensing requirement OR it may prohibit retail marijuana establishments through ordinance. If a local jurisdiction permits marijuana establishments, it is not required to impose any local licensing requirements; however, it will be required to report to the state whether or not it approves or denies the applications forwarded to it. The bill treats regulations as different from licensing. If a local jurisdiction enacts regulations, it is not required to have a licensing procedure (i.e. public hearings) or issue actual local licenses.

Applications are submitted to the state and then to local jurisdictions from the state. A person cannot operate a marijuana establishment without both state AND local approval. If an applicant does not receive local approval within one year of state approval, the state license expires and may not be renewed. Denial at the local level shall revoke the state issued license.

Local jurisdictions may determine whether the application complies with the local restrictions on time, place, manner and number of marijuana establishments. The local jurisdiction may have a public hearing or may give the public notice if there are no local licensing requirements.

Licenses may only be issued to residents of Colorado. Residency means living in Colorado for at least two years prior to applying for licensure.