



Denver's Cannabis Social Equity Program

Denver Excise and Licenses, Office of Marijuana Policy

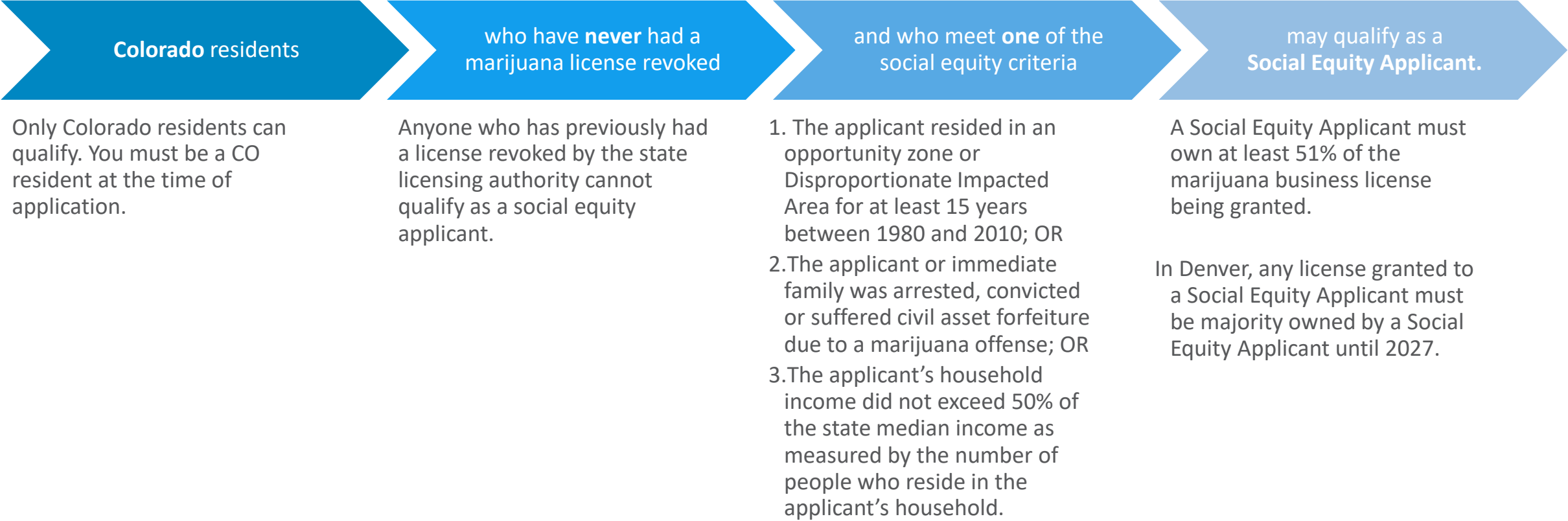
Denver's New Marijuana Code

On April 19, Denver City Council passed the Marijuana Omnibus Bill and the Marijuana Hospitality Bill.
On April 20, Mayor Michael Hancock signed the bills into law.

Ordinance	Topic	Details
Marijuana Omnibus Bill	<ul style="list-style-type: none">• Social equity• Changes to existing licenses• Marijuana delivery	<ul style="list-style-type: none">• Removes cap on store and cultivation locations• Reserves certain licenses for Social Equity Applicants• Adopts a Denver marijuana delivery program
Marijuana Hospitality Bill	<ul style="list-style-type: none">• Marijuana consumption	<ul style="list-style-type: none">• Adopts a Denver marijuana hospitality program to allow for licensed marijuana consumption establishments

Who qualifies as a Social Equity Applicant?

Denver has adopted the state's definition of a Social Equity Applicant. Visit Denver's [Social Equity Website \(https://www.denvergov.org/Government/Agencies-Departments-Offices/Marijuana-Information/Social-Equity\)](https://www.denvergov.org/Government/Agencies-Departments-Offices/Marijuana-Information/Social-Equity) to learn more about how to qualify as a Social Equity Applicant.



Opportunities for Social Equity Applicants

Licensing Exclusivity

- Social equity applicants will have exclusive access to the following licenses until July 1, 2027:
 - Stores
 - Transporters
 - Cultivations
 - Manufacturing
 - Hospitality, Mobile Hospitality, Hospitality & Sales

Delivery Exclusivity

- Only transporters who qualify as social equity applicants will be granted transporter delivery permits until July 1, 2024.
- Stores will be required to use transporters to conduct deliveries until July 1, 2024.

Reduced Fees

- Waived application fees
- Reduced licensing fees

How Do I Qualify as a Social Equity Applicant?



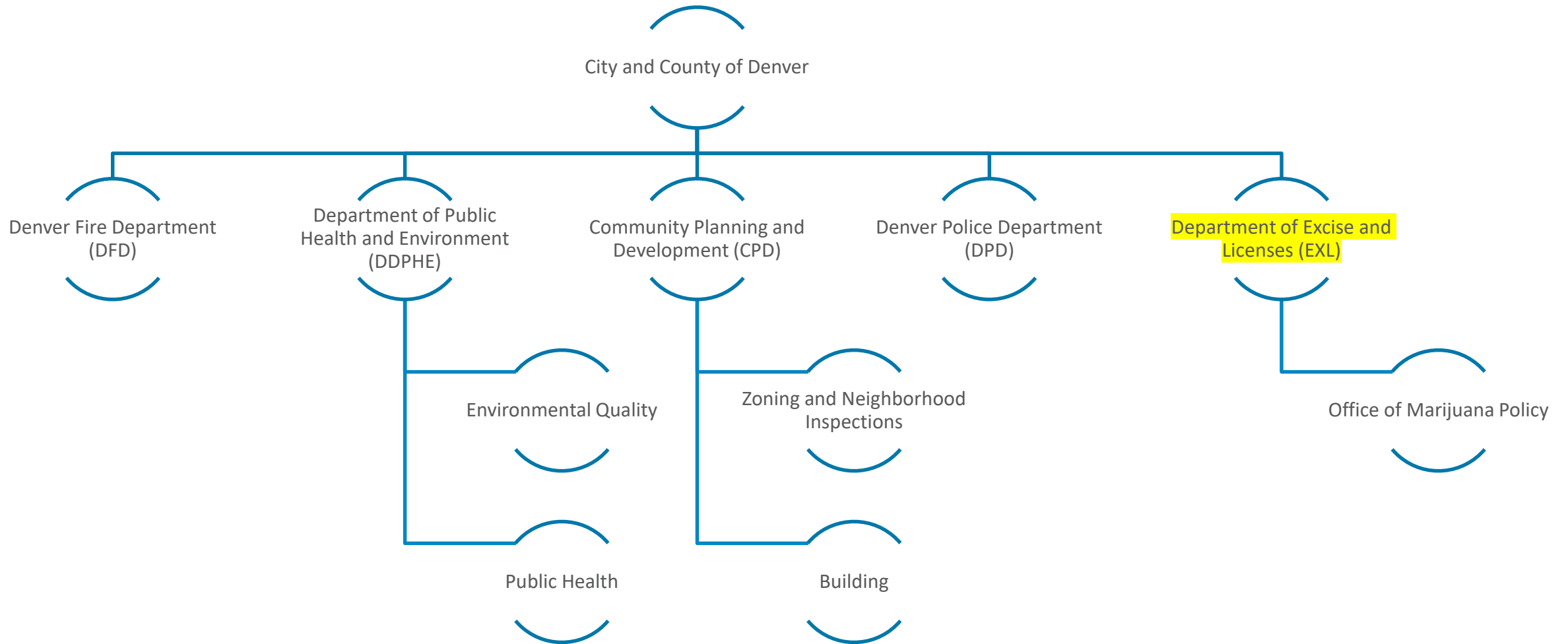


Licenses, Permits and Processes

Getting Started

- Please note that the Department of Excise and Licenses **cannot give legal or business advice** or make any preliminary findings regarding an application.
- It is the **applicant's own responsibility** to ensure that they comply with all relevant codes, ordinances, rules, and regulations, at both the state and local levels.
- **Applicants should conduct their own research** and investigation and **engage the services of professionals**, such as attorneys and business consultants, as necessary.

What is Excise and Licenses?



What is Excise and Licenses?

Issues business licenses to businesses that require additional oversight for public health and safety.

Ensures that businesses have met all public health, safety, and compliance requirements before issuing licenses.

Inspects businesses for compliance and enforces the licensing code.

Issues fines, suspends or revokes licenses, or takes other disciplinary action as necessary.

Dual Licensure and Local Control

State Licensing
Authority + Marijuana
Enforcement Division



Issues state marijuana licenses, employee and owner licenses, and enforces state rules.

Denver Department
of Excise and
Licenses



Issues corresponding local marijuana licenses and enforces state and local rules.

What marijuana licenses and permits does Denver issue?

- Retail marijuana store license* (not medical)
- Retail marijuana cultivation facility license* (not medical)
- Retail/medical marijuana products manufacturer license*
- Retail/medical marijuana testing facility license
- Retail/medical marijuana transporter license*
- Retail/medical marijuana delivery permit**
- Retail/medical marijuana off-premises storage facility permit
- Marijuana research and development license
- Marijuana hospitality license*
- Marijuana hospitality license with a mobile premises*
- Retail marijuana hospitality and sales license*

* Only Social Equity Applicants are Eligible to apply.

** Only stores and transporters may apply for a delivery permit. Only transporters that qualify as Social Equity Applicants may apply for a transporter delivery permit.

(Licenses for hospitality businesses, hospitality businesses with a mobile premises, and retail marijuana hospitality and sales businesses will be available starting in November.)

What License(s)/Permit(s) Do I Need?

It depends on your unique business model. Applicants are encouraged to consult with an attorney or other trusted professional to ensure all required licenses and permits are obtained. Below are licenses and permits issued by Excise and Licenses.

★ = Exclusively available to Social Equity Applicants

I want to...	You may need...	This allows you to...
Sell marijuana	A retail marijuana store license ★	Sell marijuana to consumers ages 21+ in the following quantities: <ul style="list-style-type: none"> • 1 ounce of marijuana • 8 grams of marijuana concentrate • Marijuana products containing up to 800 mg THC (10 mg per serving)
	A retail marijuana hospitality and sales license ★	Sell marijuana to consumers ages 21+ in the following quantities: <ul style="list-style-type: none"> • 2 grams of marijuana • ½ gram of marijuana concentrate • Marijuana products containing up to 20 mg THC (10 mg per serving)
Allow patrons to consume marijuana at my business	A marijuana hospitality license ★	Operate a licensed premises where consumers 21+ may bring their own marijuana to consume. (No sales allowed.)
	A marijuana hospitality license with a mobile premises ★	Operate a mobile licensed premises (such as a tour bus or shuttle) where consumers 21+ may bring their own marijuana to consume. (No sales allowed.)
	A retail marijuana hospitality and sales license ★	Operate a licensed premises where consumers 21+ may consume marijuana purchased on the premises in the above quantities. (No BYOC.)

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I want to...	You may need...	This allows you to...
Transport marijuana from business to business	A retail/medical marijuana transporter license ★	Transport marijuana from one marijuana business to another marijuana business and to temporarily store the transported marijuana at the licensed premises. <i>(A licensed premises is not required if you will not be storing marijuana or modifying information in the inventory tracking system.)</i>
Deliver marijuana to patients and consumers	A retail/medical marijuana transporter license AND ★	Contract with a retail/medical marijuana store that holds a valid delivery permit and deliver retail/medical marijuana to patients or consumers on the store's behalf.
	+	<i>(Until July 1, 2024, only transporters can conduct deliveries in Denver. Stores must contract with a transporter that holds a valid delivery permit to conduct their deliveries. Transporters must qualify as Social Equity Applicants to obtain a delivery permit, but stores do not.)</i>
	A retail/medical delivery permit	

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I want to...	You may need...	This allows you to...
Grow marijuana	A retail cultivation facility license ★	Cultivate, prepare, and package retail marijuana and sell/transfer it to marijuana stores, marijuana product manufacturers, and other marijuana cultivation facilities. <i>(No direct to consumer sales.)</i>
Produce marijuana concentrate or marijuana products	A retail or medical marijuana products manufacturer license (MIP) ★	Perform extraction, manufacture marijuana concentrates and marijuana products (i.e. edibles and topicals), and sell/transfer it to other MIPs, stores, and hospitality and sales businesses. <i>(No direct to consumer sales.)</i>
Conduct research on marijuana	A marijuana research and development license	Cultivate, manufacture, and possess medical marijuana for limited research purposes in furtherance of an approved research project.
Test marijuana	A retail/medical marijuana testing facility license	Accept samples of marijuana from licensed marijuana businesses and perform tests for potency, contaminants, and other required tests.



Notes of Caution

Federal Prohibition of Marijuana

It is important to remember that marijuana remains a Schedule I drug at the federal level. This may pose some unique challenges for marijuana business owners and employees, including:






- Difficulty accessing capital through traditional means;
- Limited options for banking, credit card processing, payroll, and other business services;
- Adverse immigration consequences; and
- Difficulty obtaining a mortgage or other personal loan.

Predatory Practices

- Social equity applicants are required to own at least 51% of their marijuana business license (alone or together with other social equity applicants). Non-social equity applicants may own up to 49% of the license.
- In other jurisdictions with marijuana social equity programs, predatory investors have attempted to exploit social equity applicants in order to obtain a license. To protect against predatory practices and maintain the integrity of the social equity program, Denver requires social equity applicants to maintain at least 51% ownership of their license until July 1, 2027. Social equity applicants may transfer ownership of their license so long as 51% remains under the ownership of one or more social equity applicants.

Predatory Practices

It is important to protect yourself against predatory investors, business partners, lenders, consultants, and others. All licensees are encouraged to consult with legal counsel and carefully read all contracts prior to entering into any agreements. Be aware of the following red flags:

-  **Anyone who claims to have inside information or access to government processes.** State and local laws, rules, and regulations are public information. Comments and inquiries from the public are welcomed.
-  **Anyone who guarantees you funding without performing due diligence on your company.** Legitimate investors and lenders will perform due diligence to understand your business, its risks, and its potential for success.
-  **Anyone who guarantees you a license.** There is no cap on licenses for social equity applicants in Denver. Anyone who qualifies as a social equity applicant may apply. All applicants must meet requirements for licensure. This determination is made by the city and the state, not by third parties.
-  **Anyone who tries to pressure you into making a quick decision or tries to discourage you from consulting with an attorney.** Parties on both sides of a transaction should have the time to perform due diligence, consult with a trusted professional, and make a well-reasoned decision about entering into the agreement.
-  **Any agreement that would affect your ability to exercise control over the business or share in the revenues and profits of the business.** Again, read contracts carefully and consult with an attorney or other trusted professional.



Technical and Financial Assistance Preview

Coming Soon...

Denver Small Business Investment Fund

- New to the 2022 budget, this fund will bolster small businesses located within the City and County of Denver through various programs, including but not limited to outreach, technical assistance, grants, and a **dedicated \$500,000 for technical business assistance specific to Cannabis Social Equity applicants.**
- Funded by revenue generated from 1% of the existing special retail marijuana sales tax, up to \$50 million. Additionally, it is anticipated that non-City dollars will contribute to this effort.
- Program should be announced in Q1 2022 but is still contingent on City Council approval of the 2022 budget.

Questions?

Denver

If you have questions about Denver's licensing process, email marijuanainfo@denvergov.org.

¿Necesitas ayuda en español? Email licenses@denvergov.org.

State

If you have questions about the state's licensing process, contact the State Marijuana Enforcement Division.