

THE DENVER  
COLLABORATIVE  
APPROACH

---

LEADING THE WAY IN  
MUNICIPAL  
MARIJUANA MANAGEMENT

2022



**DENVER**  
THE MILE HIGH CITY

# TABLE OF CONTENTS

I. INTRODUCTION	2
II. INDUSTRY	5
III. TAX, SALES & REVENUE	9
IV. BUDGET	13
V. SOCIAL EQUITY	16
VI. ENFORCEMENT	25

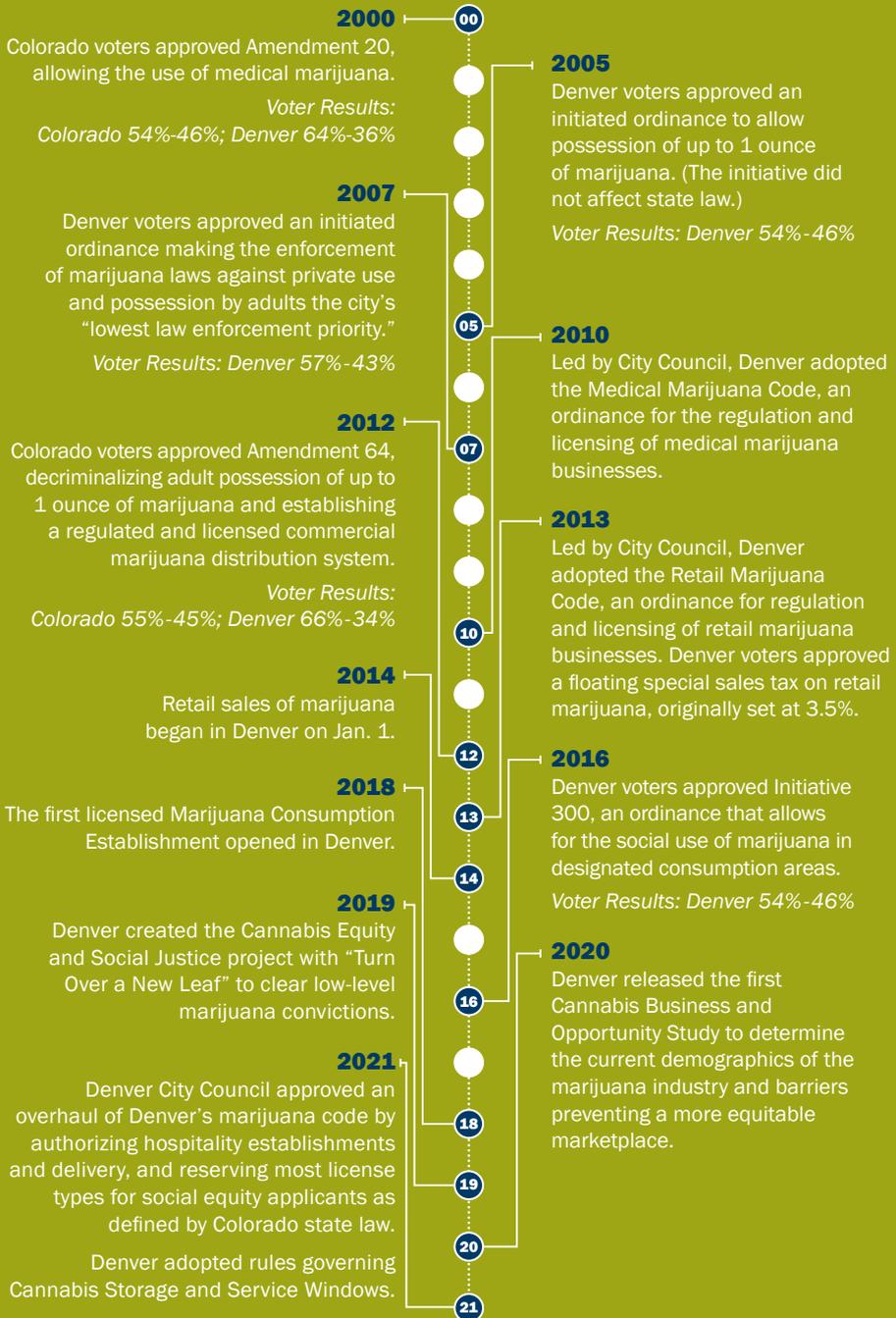
## I. INTRODUCTION

# MARIJUANA IN THE MILE HIGH CITY

The first retail sales of recreational marijuana in the United States began in Denver on Jan. 1, 2014. Under Mayor Michael B. Hancock, Denver created a collaborative model of marijuana management and emerged as a global leader in marijuana regulation. Denver has embraced a management model that is quick, responsive, and nimble because the industry is developing and innovating quickly, and the laws are changing and evolving at an equally rapid pace.

Medical marijuana has been legal in Colorado since 2000, when voters approved Amendment 20. In November 2012, voters approved Amendment 64, which legalized retail marijuana. Since the passage of these amendments, the City and County of Denver has adopted ordinances to regulate, license, and tax medical and retail marijuana. In 2021, the Denver City Council passed the largest overhaul of city marijuana rules and regulations since initial legalization. The legislation authorized delivery, expanded types of hospitality establishments, and provided exclusivity for most types of marijuana licenses for social equity applicants to achieve the goal of more equitable access to the industry.

# TIMELINE OF MARIJUANA SALES & MANAGEMENT IN COLORADO



# WHERE ARE WE NOW?

As legalization spreads across the United States, Denver remains squarely in focus. More than ever, the city is looked at to provide guidance on how it effectively implemented and continues to manage the first-of-its-kind sales and commercialization of voter-approved retail marijuana.

Through a far-reaching, collaborative approach, Denver's Office of Marijuana Policy, housed in the Department of Excise and Licenses, supports and coordinates the work of dozens of city employees. The city's dedicated team of experts manages a complex and ever-changing regulatory and licensing process. This work includes legislation to create, improve, and clarify ordinances; management of education and health initiatives; social equity; coordination of enforcement efforts; and allocation of resources – all in concert with the industry and the community.

In 2021, Denver marked the eighth year of retail marijuana sales and the eighth year of the Office of Marijuana Policy's operation. Industry growth continued with 936 business licenses operating out of 445 locations.

More recently, Denver has developed a multipronged approach to remove barriers and implement changes so there is more equitable access to Denver's marijuana industry and the city can achieve the full promise of legalization.

Denver continues its collaborative approach to marijuana management, remaining nimble and flexible to keep pace with the sustained growth of sales and innovation in the industry, while remaining in constant communication with the industry and residents to ensure balance among many competing interests.

## II. INDUSTRY

# DENVER'S MARIJUANA INDUSTRY

The City of Denver actively coordinates with its departments and agencies, business owners, residents, neighborhood groups and industry representatives to ensure that it has a robust and effective regulatory system for the city's marijuana industry.

As of Jan. 1, 2022, the City offers the following marijuana business licenses and permits:

- **Store – retail**
- **Cultivation facilities – retail**
- **Marijuana product manufacturer – medical/retail**
- **Testing facilities – medical/retail**
- **Transporters – medical/retail**
- **Delivery – medical/retail**
- **Off-premises storage facilities – medical/retail**
- **Research and development – medical**
- **Hospitality**
- **Hospitality and sales – retail**
- **Mobile hospitality**

## NUMBER OF ACTIVE LICENSED MARIJUANA BUSINESSES IN JANUARY, FROM 2014 TO 2022:

 PERIOD	 MEDICAL LICENSES	 RETAIL LICENSES	 UNIQUE LOCATIONS
January 2014	731	270	455
January 2015	621	301	414
January 2016	657	392	454
January 2017	682	429	481
January 2018	671	478	492
January 2019	621	479	475
January 2020	474	474	452
January 2021	441	476	440
January 2022	433	502	445

\* The decrease from 2014 to 2015 happened in part because medical marijuana businesses that did not obtain both state and city licenses by July 1, 2014 were required to cease operations.

\*\* The decrease in medical marijuana licenses from 2019 to 2020 was the result of state rule changes that consolidated commonly owned licenses to one medical cultivation license per location.

## NUMBER OF ACTIVE LICENSES BY TYPE OVER TIME:

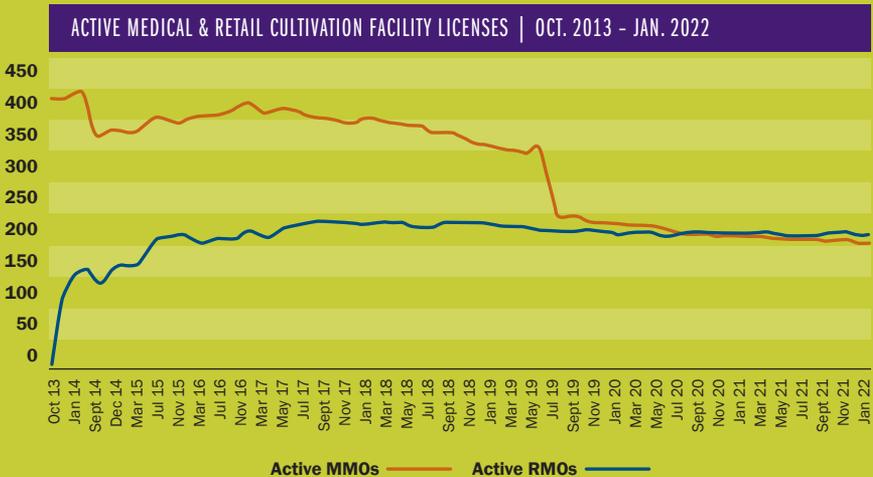
**Medical Marijuana Store (MMC)** Active licenses were down 2%, from 155 in January 2021 to 152 in January 2022.

**Retail Marijuana Store (RMS)** Active licenses increased 5%, from 169 in January 2021 to 178 in January 2022.



**Medical Marijuana Cultivation (MMO)** Active licenses declined 5%, from 196 in January 2021 to 186 in January 2022.

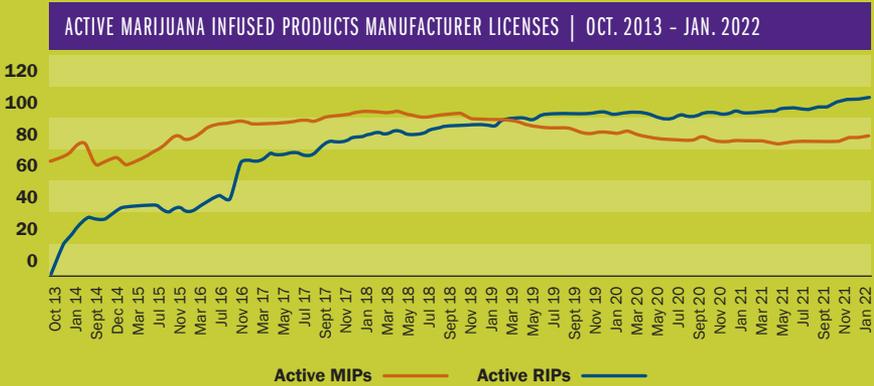
**Retail Marijuana Cultivation (RMO)** Active licenses remained steady, from 201 in January 2021 to 200 in January 2022.



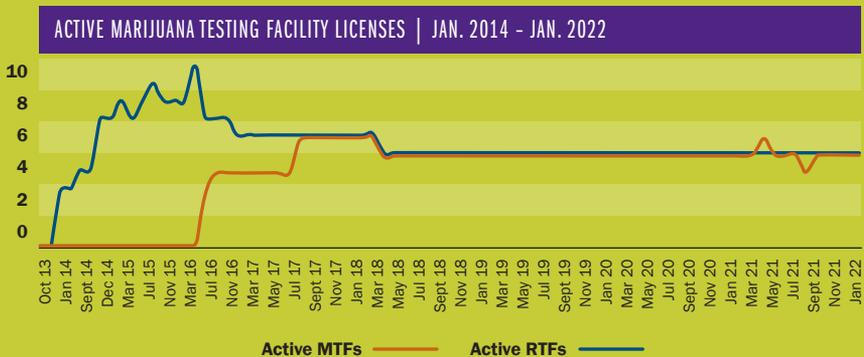
*\*The decrease in medical licenses from May to July 2019 was the result of state changes that consolidated commonly owned licenses to one medical cultivation license per location.*

**Medical Marijuana Products Manufacturer (MIP) Active licenses** increased 4%, from 80 in January 2021 to 83 in January 2022.

**Retail Marijuana Products Manufacturer (RIP) Active licenses** increased 9%, from 97 in January 2021 to 106 in January 2022.

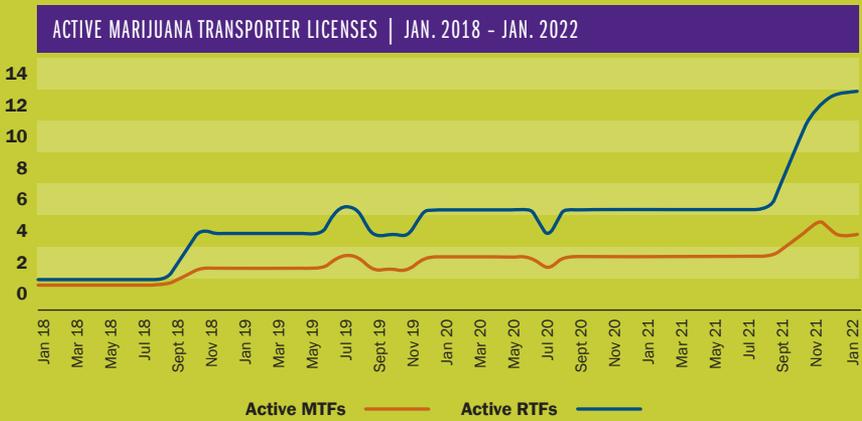


**Medical Marijuana Testing Facility (MTF) and Retail Marijuana Testing Facility (RTF) licenses** were unchanged from five in January 2021 to five in January 2022.

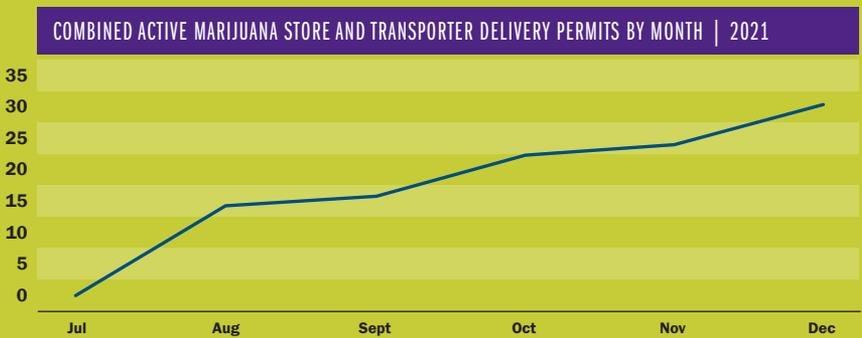


**Medical Marijuana Transporter (MTF) Active licenses** increased 50%, from four in January 2021 to six in January 2022.

**Retail Marijuana Transporter (RTF) Active licenses** increased 225%, from four in January 2021 to 13 in January 2022 due to the adoption of Denver’s first delivery program.



**Medical and retail marijuana permits** for stores to have their marijuana products delivered by licensed delivery companies.



### III. TAX, SALES AND REVENUE

# HOW IS MARIJUANA TAXED IN DENVER?

Medical marijuana is subject to standard state and local sales taxes:

Denver Standard Sales Tax*:	4.81%
State Standard Sales Tax:	2.90%
Other local taxes: (Regional Transportation District and Scientific and Cultural Facilities District)	1.10%
<b>Total Medical Marijuana Sales Tax Rate:</b>	<b>8.81%</b>

In November 2013, Denver voters approved adding a special sales tax on retail marijuana that could vary from 3.5% to 15%. The tax is in addition to the standard sales tax and all other applicable state taxes. Since July 1, 2017, retail marijuana is exempt from the state standard sales tax, but is subject to state and local special sales taxes:

Denver Standard Sales Tax*:	4.81%
Denver Special Sales Tax on Retail Marijuana**:	5.50%
State Special Sales Tax on Retail Marijuana:	15.0%
Other local taxes: (Regional Transportation District and Scientific and Cultural Facilities District)	1.10%
<b>Total Retail Marijuana Sales Tax Rate:</b>	<b>26.41%</b>

Before July 1, 2017, 15% of the state special sales tax was shared with local jurisdictions. Since July 1, 2017, 10% of the state special sales tax has been shared with local jurisdictions.

*\*Within the 4.81% standard sales tax for Denver, there are several dedicated uses. This includes 0.15% for the Denver Preschool Fund, 0.25% for parks, 0.25% for mental health, 0.08% for college affordability, 0.08% for healthy food access, 0.25% for climate and 0.25% for homelessness. The remaining 3.5% goes in the city general fund.*

*\*\*The Denver special sales tax can increase from 3.5% to 15% when authorized by City Council. In October 2018, there was an increase on the special sales tax from 3.5% to 5.5% to contribute funds toward the city's affordable housing project.*

## MARIJUANA SALES

**Denver:** Retail marijuana sales in Denver decreased 3% from 2020 to 2021. Medical marijuana sales in Denver in decreased 6% from 2020 to 2021.

**Colorado:** Retail marijuana sales in Colorado increased 4% from 2020 to 2021. Medical marijuana sales in Colorado decreased 9% from 2020 to 2021.

*Note: Values for Colorado and Denver marijuana sales published in previous reports have since been updated with current Treasury data.*

DENVER	2014	2015	2016	2017	2018	2019	2020	2021
RETAIL SALES	\$149.7M	\$219.3M	\$291.5M	\$377.5M	\$392.6M	\$435.3M	\$514.4M	\$499.5M
MEDICAL SALES	\$179.8M	\$191.4M	\$211.7M	\$206.4M	\$155.4M	\$153.4M	\$201.3M	\$189.2M
<b>TOTAL</b>	<b>\$329.5M</b>	<b>\$410.4M</b>	<b>\$503.2M</b>	<b>\$583.9M</b>	<b>\$548M</b>	<b>\$588.7M</b>	<b>\$715.7M</b>	<b>\$688.8M</b>
<b>TOTAL YOY% CHANGE</b>	-	<b>25%</b>	<b>23%</b>	<b>16%</b>	<b>-6%</b>	<b>7%</b>	<b>22%</b>	<b>-4%</b>

COLORADO	2014	2015	2016	2017	2018	2019	2020	2021
RETAIL SALES	\$303.2M	\$577.5M	\$861.6M	\$1.1B	\$1.2B	\$1.4B	\$1.7B	\$1.8B
MEDICAL SALES	\$380.3M	\$418.1M	\$445.6M	\$416.5M	\$332.2M	\$338.5M	\$442.5M	\$404.4M
<b>TOTAL</b>	<b>\$683.5M</b>	<b>\$995.6M</b>	<b>\$1.3B</b>	<b>\$1.5B</b>	<b>\$1.5B</b>	<b>\$1.7B</b>	<b>\$2.2B</b>	<b>\$2.2B</b>
<b>TOTAL YOY% CHANGE</b>	-	<b>46%</b>	<b>31%</b>	<b>15%</b>	<b>3%</b>	<b>13%</b>	<b>25%</b>	<b>2%</b>

## HOW MUCH OF COLORADO'S TOTAL MARIJUANA SALES OCCUR IN DENVER?

In 2021, 31% of Colorado's total marijuana sales occurred in the City and County of Denver.

From 2014 to 2021, the proportion of marijuana sales in Denver out of all Colorado marijuana sales has fallen by 17%, going from 48% to 31%.

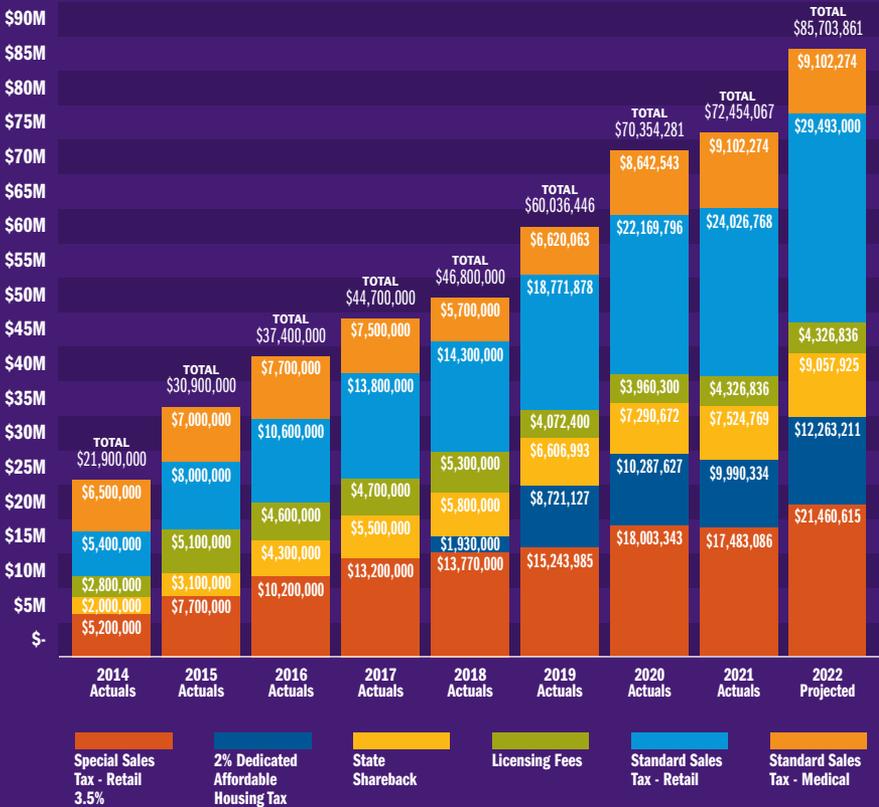
This downward trend, which has been consistent since the implementation of retail marijuana sales in 2014, indicates marijuana sales growth outside of the City and County of Denver has been increasing faster than within the city.



# HOW MUCH REVENUE IS GENERATED IN DENVER FROM MARIJUANA?

Marijuana revenue is helping to pay for the resources the city must put toward the robust regulation and enforcement involved with the responsible implementation of legalized marijuana.

Marijuana revenue constituted about 5.1% of the city’s general fund revenue in 2021.



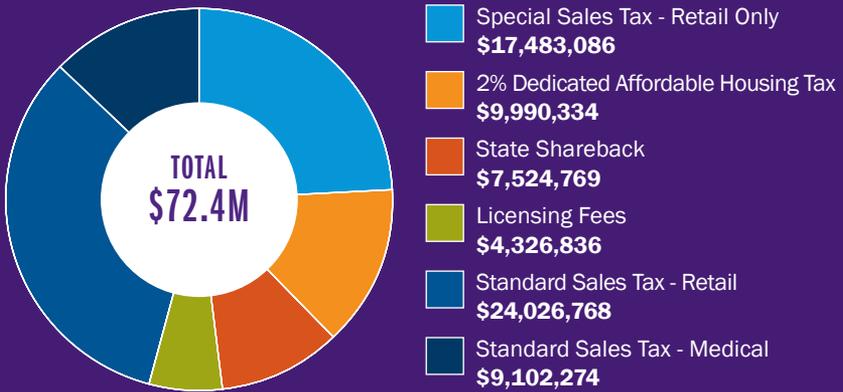
\*2022 revenue projections are based on the previous year actuals and other revenue forecasting tools available in fall 2021 during the development of the 2022 budget. 2022 projections will be updated for the 2023 budget process based on more recent revenue information.

\*\*“Shareback”: The state of Colorado contributes a portion of its 15% special sales tax on retail marijuana back to the City and County of Denver and other local jurisdictions with retail marijuana sales.

**Overall, 2021 revenue from marijuana in Denver increased 3%, compared to 2020.**

- State shareback revenue increased 3% in 2021
- Licensing fees revenue increased 9% in 2021
- Medical sales tax revenue increased 5% in 2021
- Retail sales tax revenue increased 8% in 2021
- Retail special tax revenue decreased 3% in 2021

**MARIJUANA REVENUE SOURCES FOR 2021**



**Through the special sales tax revenue and state shareback funds, the city has funded marijuana regulation, enforcement, and education.**

- These funds go into the city’s general fund and are allocated toward Denver’s immediate needs to responsibly regulate the marijuana industry, enforce the law, and educate the public about marijuana with a focus on youth.
- The licensing fees and retail standard sales tax collected go into the city’s general fund to pay for city services, as is the case with medical marijuana taxes collected.
- In October 2018, the special sales tax for retail marijuana was increased from 3.5% to 5.5%. This additional 2% is dedicated to affordable housing programs and has generated \$30.9 million since 2018.

## IV. BUDGET

# WHAT DOES THE CITY DO WITH MARIJUANA REVENUE?

All of Denver’s marijuana-related revenue goes to the city’s general fund to pay for city services. The city first allocates the special retail sales tax and state shareback to fund the key areas of:

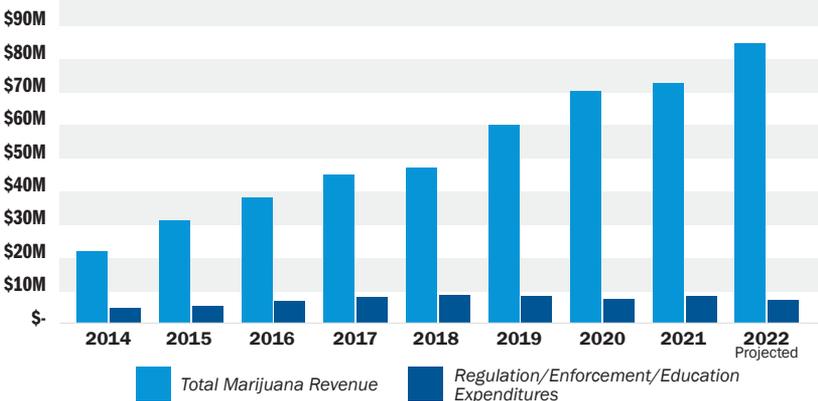
- **Regulation**
- **Education**
- **Enforcement**

Of the projected \$42.6 million that can be appropriated for marijuana-specific spending in 2022, the city has budgeted \$7.6 million in expenditures across city departments and agencies for regulation, enforcement, and education efforts.

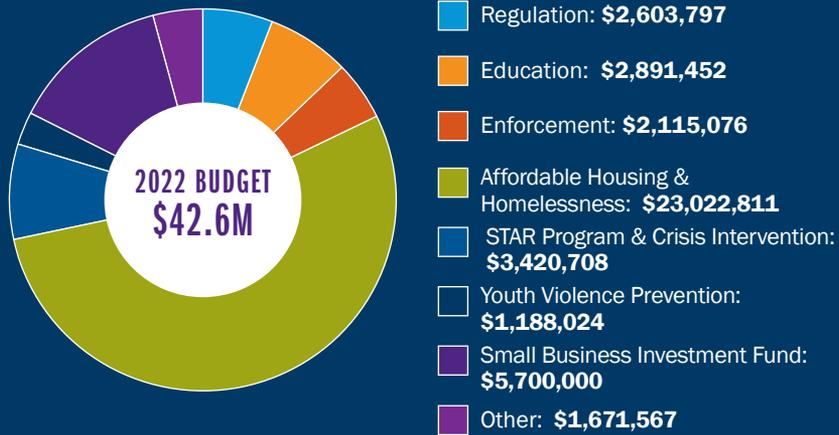
Also, in 2022, \$28.1 million from marijuana-related revenue was appropriated to affordable housing and homelessness services, youth violence prevention, STAR program pilot implementation, Immigrant Legal Services Fund, and crisis intervention. Beginning in 2022, 1% of the 3.5% retail special sales tax – projected to generate \$5.7 million in 2022 – is dedicated to the Denver Small Business Investment Fund, which will provide grant and loan funding to small businesses, including cannabis businesses.

The standard sales tax received from retail and medical marijuana and the revenue from marijuana licensing fees (\$37.4 million in 2021) is treated the same as the city’s other sales tax revenue sources (such as clothing and other goods) in that it goes into the general fund and is used for a variety of general operating needs (libraries, parks, recreation programs, street maintenance, auditors, attorneys, etc.).

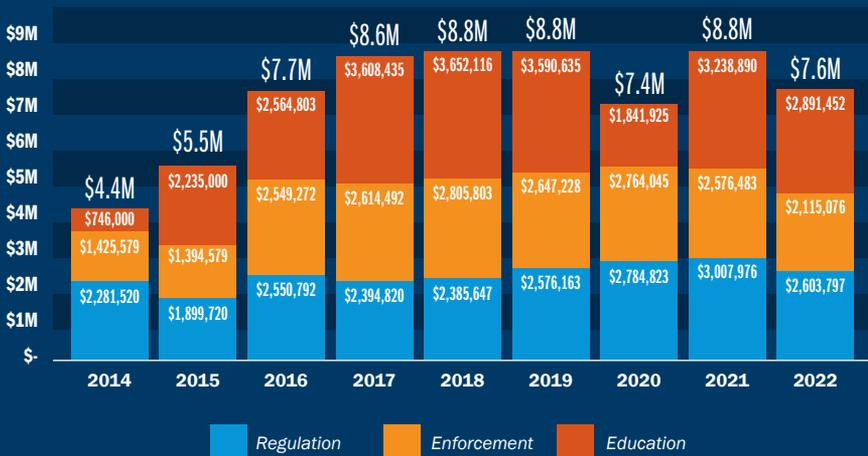
### GENERAL FUND REVENUE AFTER REGULATION, ENFORCEMENT, EDUCATION EXPENDITURES



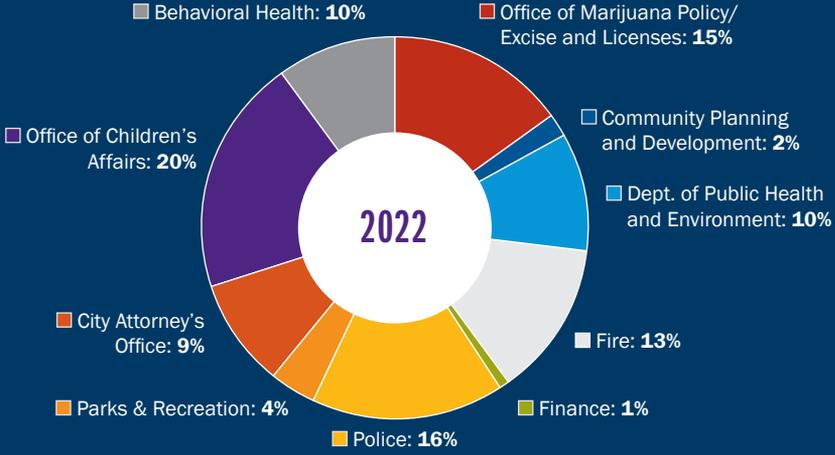
# 2022 RETAIL MARIJUANA SPECIAL SALES TAX AND STATE SHAREBACK ALLOCATION



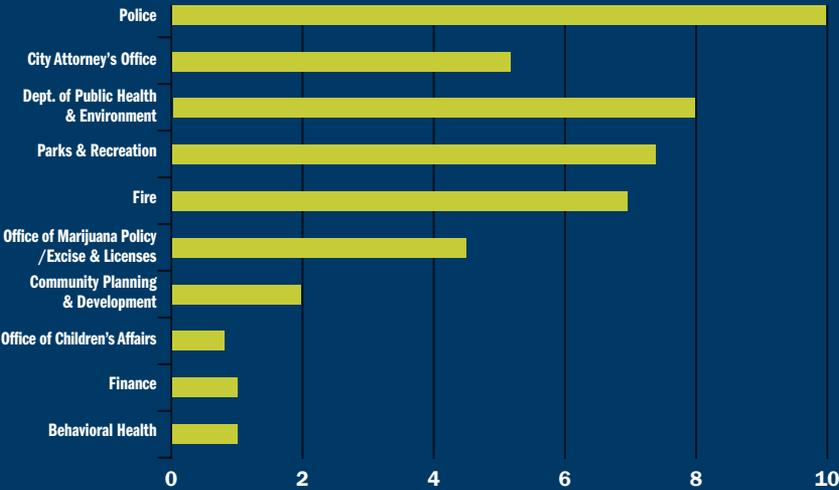
## REGULATION, ENFORCEMENT, AND EDUCATION EXPENDITURES:



# DISTRIBUTION OF MARIJUANA REGULATION, ENFORCEMENT, AND EDUCATION COSTS BY DEPARTMENT:



# 2022 BUDGETED MARIJUANA-RELATED FTES



## V. SOCIAL EQUITY

# MARIJUANA EQUITY AND SOCIAL JUSTICE

## EQUITY THROUGH MARIJUANA TAX REVENUE

All work in Denver is done through a race and social justice lens, and the budgeting of cannabis tax dollars is no different. Cannabis tax dollars continue to support social equity and racial justice through:

- Dedication of \$5.7 million in marijuana tax revenue to the Denver Small Business Investment Fund beginning in 2022 to invest in small minority- and women-owned businesses, including cannabis businesses, with \$500,000 of that revenue dedicated to creating a technical assistance program for cannabis social equity business owners.
- Generation of \$30.9 million in revenue since 2018 through an additional 2% tax on retail marijuana to fund development and preservation of affordable housing, programs and services that support housing opportunity, housing stability and homelessness resolution.
- Allocation of \$500,000 to youth violence prevention programming; \$1 million to the Support Team Assisted Response (STAR) Program, which deploys emergency response teams that include emergency medical technicians and behavioral health clinicians to engage individuals experiencing crises related to mental health issues, poverty, homelessness, and substance abuse; and \$7.5 million to fund homelessness services.
- The city has dedicated more than \$13.5 million from the special sales tax on recreational marijuana to fund free after-school and summer programs for youth, with a focus on underserved communities. This education funding also includes support for diversion programs, with a focus on high-need areas.

### **Other than committing marijuana tax dollars, through our multipronged approach to cannabis equity, we intend to:**

- Decrease barriers to entry in the industry by exploring financial, technical, and business support and enforcing social equity applicants licensing exclusivity for most licenses for the first six years of Denver's new social equity program and exclusive ability to conduct deliveries for the next three years of legalized delivery services in Denver.

## LICENSING, OWNERSHIP AND WORKFORCE DEVELOPMENT

For decades, the War on Drugs had a significant impact on our country and city, with a disproportionate impact on communities of color and other historically marginalized groups. Even today, the collateral consequences of prohibition can negatively affect many aspects of a person's life, including employment, economic earning potential, education opportunities, qualification for government benefits and programs, housing, ability to travel, and immigration status proceedings.

The challenge of today's post-legalized world is also an opportunity. The legalization of adult-use cannabis presents a chance to learn from the past and to create accountable mechanisms to achieve shared prosperity. We must work together to foster more equitable access to participation in the cannabis industry, including promotion of ownership and stable employment opportunities.

In April 2021, Mayor Michael Hancock signed Council Bills 21-0216 and 21-0217 into law, creating a comprehensive social equity program for marijuana licensing in Denver. To promote social equity in Denver's marijuana industry, these bills adopted criteria for qualifying for a marijuana license as a social equity applicant; removed the cap on retail store and cultivation locations; reserved licenses for stores, cultivation facilities, manufacturing facilities, transporters, and hospitality businesses for social equity applicants until July 1, 2027; and gave social equity applicants the exclusive ability to conduct marijuana deliveries in Denver.

To support social equity applicants and those interested in applying for a license through the social equity program, in 2021 the Denver Department of Excise and Licenses staff hosted eight virtual information sessions on topics including cannabis social equity, delivery, hospitality, and licensing processes. In addition, Denver hosted an in-person resource fair attended by more than 250 people in October 2021. The resource fair provided networking opportunities for social equity applicants and connected them with city and state regulators and private vendors offering free and low-cost business services to social equity applicants. The Department's cannabis process navigator and other department staff meet with social equity applicants individually upon request.

## TURN OVER A NEW LEAF MARIJUANA EXPUNGEMENT PROGRAM AND CLINICS

Turn Over a New Leaf is a program where Denverites can apply to vacate and seal low-level marijuana criminal convictions that happened in Denver before legalization. To date, there have been 595 applications with 96 convictions being identified as eligible for the program.

# THE DENVER COLLABORATIVE APPROACH IN ACTION

Governments across the U.S. and the world are tackling – or are preparing for – the new and evolving challenges that come with the regulation of legalized marijuana. On the leading edge of this challenge, Denver is committed to ensuring its regulations address current and future issues.

Change continues in Denver and Colorado at a rapid pace, and the collaborative approach allows the city to respond quickly and effectively to address issues as they arise.

Denver partners with city agencies, departments, institutional stakeholders, and the community to develop sensible and balanced policies. The goal is to balance the needs of industry, consumers, families, and neighborhoods while also preserving Denver’s quality of life, public health, and safety.

Under the leadership of Mayor Hancock, the city has adopted a collaborative model to manage marijuana, which includes multiple agencies working together to preserve, protect, and enhance Denver’s excellent **quality of life**. This work is grounded in the city’s marijuana management priorities, including **robust regulation, strict enforcement, effective education, and equitable access to the industry**.





## PUBLIC EDUCATION & COMMUNICATION

### Youth Prevention & Education

Denver once again committed millions of retail marijuana sales tax dollars to be distributed to youth-serving organizations by the city's Offices of Children's Affairs and Behavioral Health Strategies.

→ **MORE THAN** ←

**\$21 MILLION** of marijuana revenue from 2014-2021 has been granted to these important programs to protect and educate our youth.

The "Healthy Lifestyles for Youth" funds administered by the Office of Children's Affairs support quality after-school and summer programs in more than 30 organizations serving approximately 2,500 youth.

- The funds leverage existing best practices and processes to enhance quality programs and promote pro-social activities to youth living in an environment with legalized marijuana.
- The funds utilize youth development programs as a place for early education and as a first step to preventing marijuana use.
- To help youth build the skills they need to make positive, healthy lifestyle choices, existing programs already using effective positive youth development and social-emotional learning strategies were provided additional funding to expand or enhance services.
- With that money, we were also able to create a Marijuana Curriculum designed to teach youth the different facts about marijuana and underage use. The curriculum is available at after-school programs serving middle school students.

The Diversion Accountability and Behavioral Health funds administered by the Office of Behavioral Health Strategies provided seven programs with funds for intervention, treatment, education, and other alternatives for approximately 356 youth and young adults who have violated a city or state law or school code in 2020 and/or 2021. **The funds help:**

- Create alternative consequences for unlawful marijuana use or possession;
- Prevent further involvement of youth and young adults in the justice system;
- Improve outcomes for youth through coordinated services;
- Reduce and address the potential harm of substance use; and
- Promote sharing of best practices and other networking opportunities for youth serving professionals.

**IN DECEMBER 2017, THE CITY AND COUNTY OF DENVER LAUNCHED THE HIGH COSTS CAMPAIGN FOR YOUTH AGES 12-18**

to educate Denver youth about marijuana so they can make an informed decision not to use while underage. The campaign is focused on providing facts and encouraging peer-to-peer conversation.



**[WWW.THEHIGHCOSTS.COM](http://WWW.THEHIGHCOSTS.COM)**

- To date, the High Costs campaign has garnered more than 260 million media impressions, or views, including a feature on “CBS This Morning.” A recent survey showed 81% of teens aware of the High Costs campaign said its messaging discouraged them from using marijuana.
- The campaign can be found online at **TheHighCosts.com**.

## **INFORMATION & OUTREACH**

- The city has continued to collaborate with the State of Colorado’s education campaigns and continued to serve on the state’s Marijuana Education Oversight Committee.
- The city updated its **Denvergov.org/MarijuanaInfo** website with expanded “Know the Law” information and created a hub for all state and local laws and regulations.”
- Although many gatherings and meetings remain virtual after the COVID-19 pandemic, city representatives continued to participate in as many virtual community meetings and events as possible, including:
  - Registered Neighborhood Organization meetings
  - City Council district gatherings
  - Inter-Neighborhood Cooperation committee meetings
  - Other community meetings

## COLLABORATION & COMMUNICATION

- Participated in Mayor Hancock's quarterly Cabinet in the Community.
- Continued to present updates to external groups upon request.
- Continued to host information briefings for other jurisdictions, states and countries requesting information on how Denver regulates marijuana.
- Met with neighborhood groups, youth advocacy organizations, social equity advocacy organizations, nonprofits and other entities requesting information about marijuana.

## INDUSTRY OUTREACH

- Continued to educate the industry through regular Marijuana Informational Bulletins on new and changing regulations.
- Met with individual licensees upon request.
- Held special meetings, as needed, on educational topics or for input on policies, procedures and regulations.
- Held monthly meetings with the executive director of the Marijuana Industry Group.
- Continued the Permitting Assistance Team to help businesses navigate social consumption rules and regulations.
- Provided process navigation to marijuana licensees through our Cannabis Process Navigator.

## CUSTOMER SERVICE

- The city continues to develop and publish marijuana informational dashboards that live on the Denver Marijuana Information website.
- Analyzed 311 inquiries to identify frequently asked questions and provide answers.
- Continued to permit customers to schedule appointments for marijuana licensing transactions.
- Provided prompt and thorough responses to inquiries submitted to [marijuanainfo@denvergov.org](mailto:marijuanainfo@denvergov.org).

## RESOURCE ANALYSIS, EFFICIENCY & ECONOMIC IMPACT

- Continued to ensure that marijuana funds are allocated effectively to different city departments.
- Participated in an Indirect Cost Analysis to identify and quantify the indirect costs of marijuana regulation and enforcement incurred throughout the city.
- Continued to obtain feedback from internal agencies regarding operational efficiencies, effectiveness of policies, and the quality of the decision-making model.



# THE LEADER IN CONSUMER HEALTH & SAFETY PROTECTION

## DENVER DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT (DDPHE)

### **Public Health Investigations Cannabis Health & Safety Protection**

DDPHE continued with COVID-19 response as the primary workforce effort throughout the first half of 2021. As COVID case counts in Denver decreased in the summer, DDPHE's cannabis team began resuming programmatic operations. As Denver COVID-19 case counts began to surge again in the fall and winter because of the delta and omicron variants, DDPHE's cannabis investigators were tasked with competing priorities.

As the federal government continues to discuss and debate nationwide cannabis regulations and guidelines for marijuana and hemp products, the City and County of Denver continues to stand in the gap, protecting consumer health and safety for its residents and visitors. DDPHE's cannabis team continues to implement a risk-based analysis and educational approach for cannabis consumers and industry. Throughout 2021, DDPHE continued to rely on partnerships with the Colorado Department of Public Health and Environment (CDPHE) and the Marijuana Enforcement Division (MED) to oversee and provide guidance for a rapidly growing industry.

As DDPHE's cannabis team continued to coordinate with other local public health and state agencies, as well as cannabis industry partners, our work in 2021 to identify potentially harmful products included:

- DDPHE conducted eight contamination investigations while continuing to prioritize resources on the COVID-19 response.
- DDPHE responded to 22 complaints and/or referrals from other agencies and the public.
- DDPHE has conducted 43 recalls to date in the cannabis program since 2014 due to mold and/or pesticide contamination, unapproved source issues, or shelf stability concerns.
- DDPHE also continues to identify the public health concerns in the ever-evolving cannabis industry while expanding on equitable opportunities for all license holders.

DDPHE's cannabis team has started to address public health concerns in cultivation facilities with a primary focus on pest activity, microbials, and other forms of contamination resulting from existing conditions within the facility. In 2021, DDPHE continued to take a measured approach to emerging cannabis industry issues while continuing to work with the CDPHE Science and Policy workgroup in collaboration with MED and other industry stakeholders. This group gives regulators and stakeholders the opportunity to collaborate and review potential rule changes and the subsequent impact on the industry. Because of the ongoing COVID-19 pandemic, DDPHE has not yet published results from the baseline assessment conducted in 2019. Continuance of the baseline assessment with a goal to publish finding and results is projected for late 2022.

---

**Comments or questions about DDPHE's cannabis program can be emailed to [phicomments@denvergov.org](mailto:phicomments@denvergov.org)**



## VI. ENFORCEMENT

# PATROLLING THE BOUNDARIES OF LAW

Since the legalization of recreational marijuana in 2012, the illegal production and sale of marijuana has continued in Denver. In the first few years, the city experienced a large increase in illicit-market marijuana. Through increased enforcement and collaboration among all city agencies, the City and County of Denver was able to mitigate many of the issues leading to the increase in illicit-market marijuana. The Denver Police Department remains committed to enforcing all state and local laws pertaining to the illegal production and sale of marijuana.

## WHAT DOES THE ILLICIT MARKET LOOK LIKE?

The market for Denver marijuana is very lucrative and extends across the United States. The market takes many forms. The most common:

- Social media apps
- Midlevel trading with a continuous market of people purchasing \$5,000 to \$10,000 of Colorado marijuana and transporting and/or shipping it out of state for resale.
- Criminal organizations with illegal residential grows or homeowners growing beyond their limit allowed by law.
- Illegal marijuana concentrate labs and structure fires because of faulty electrical work.

**The city has intensified its focus on those who refuse to play by the new rules with increased education and enforcement.**

## ILLEGAL MARIJUANA PROCESSED BY THE DENVER POLICE DEPARTMENT (DPD) CRIME LAB:



# TOTAL MARIJUANA OFFENSES

## 1. TOTAL MARIJUANA OFFENSES

- **Definition:** Reported offenses to the Denver Police Department that, upon review, have a clear connection or relation to marijuana. Please contact the Denver Police Department if you have questions about the data reported in this section.
- Total marijuana offenses account for less than 1% of overall reported offenses in Denver.

YEAR	MARIJUANA CULTIVATION	MARIJUANA POSSESSION	MARIJUANA DISTRIBUTION	INDUSTRY RELATED CRIME
2014	19	356	65	175
2015	25	272	60	185
2016	43	189	67	210
2017	52	145	87	139
2018	59	142	71	200
2019	32	77	39	213
2020	20	41	40	183
2021	17	24	40	143

YEAR	OTHER NON-INDUSTRY RELATED CRIME	TOTAL MARIJUANA OFFENSES	TOTAL CITYWIDE OFFENSES
2014	107	788	61,276
2015	81	696	64,317
2016	64	636	65,368
2017	62	548	66,354
2018	24	588	66,023
2019	25	483	65,470
2020	88	435	73,322
2021	83	307	83,074

*The offenses listed in the table above exclude public consumption of marijuana, marijuana prohibited in parks and marijuana on the 16th Street Mall.*

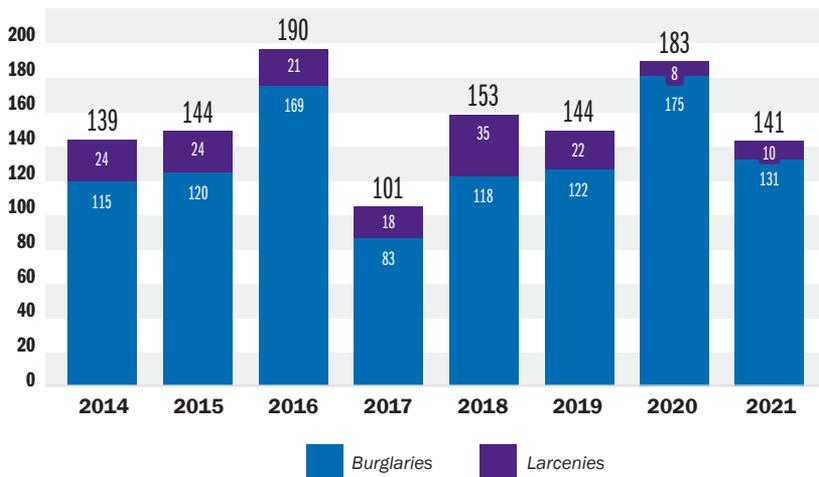
## 2. MARIJUANA INDUSTRY-RELATED OFFENSES

**Definition:** The subset of marijuana industry-related offenses where licensed marijuana businesses were either the victim or the perpetrator of a crime. Marijuana industry-related offenses represent less than one-half of 1% of overall crime in Denver.

- **2014:** 175 (0.29%)
- **2015:** 185 (0.29%)
- **2016:** 210 (0.32%)
- **2017:** 139 (0.20%)
- **2018:** 200 (0.30%)
- **2019:** 213 (0.30%)
- **2020:** 183 (0.17%)
- **2021:** 143 (0.17%)

In 2021, burglary or attempted burglary accounted for 92% of marijuana industry-related offenses. Larceny (theft) accounted for another 7% of all marijuana industry-related offenses. In 2021, Denver intensified its focus on preventing burglaries at marijuana stores by implementing requirements for licensees to store marijuana and cash securely during non-business hours.

### MARIJUANA INDUSTRY-RELATED OFFENSES



Violent offenses related to the licensed marijuana industry are rare, with seven reported in 2013, eight reported in 2014, eight reported in 2015, three reported in 2016, six reported in 2017, seven reported in 2018, 22 reported in 2019, 22 reported in 2020, and 14 reported in 2021.

- Violent offenses include homicide, rape, robbery, and aggravated assault.
- There were 22 violent offenses related to the marijuana industry in 2020, or one violent offense related to the marijuana industry for every 89 violent offenses overall.
- There were 14 violent offenses related to the marijuana industry in 2021, or one violent offense related to the marijuana industry for every 178 violent offenses overall.
- Marijuana businesses make up less than 1% of all businesses in Denver but account for approximately 2.2% of all reported business burglaries.

### 3. ARRESTS

**Definition:** City and County of Denver arrest data include citations and bookings for violations of marijuana laws in State of Colorado statute and/or City of Denver municipal code. There may be multiple arrests/citations per reported incident. A citation is a ticket to appear in court and an arrest is when a person is placed in custody.

#### DPD ARRESTS / CITATIONS FOR MARIJUANA VIOLATIONS

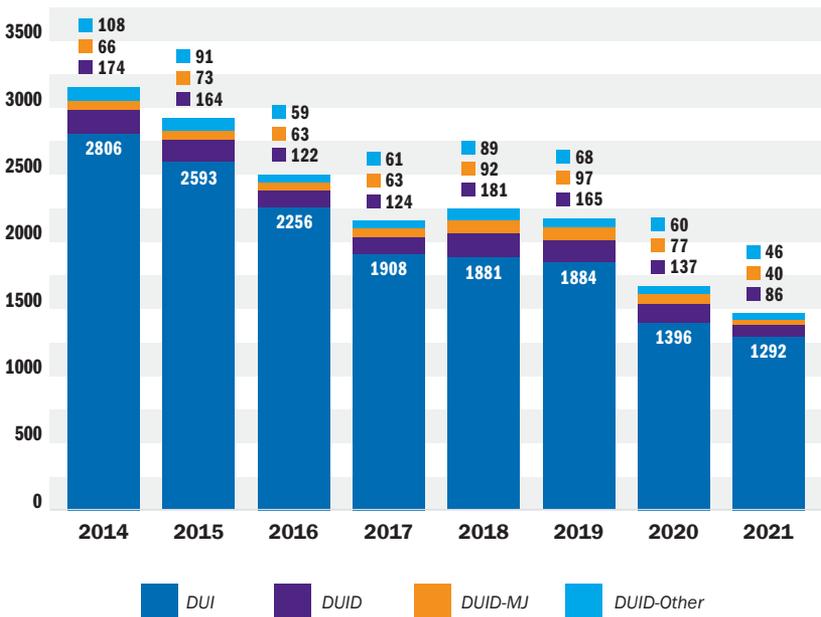
VIOLATION DESCRIPTION	2020	2021	CHANGE	%CHANGE
UNLAWFUL EXTRACTION OF MARIJUANA CONCENTRATE	5	4	-1	-20.00%
UNLAWFUL DISTRIBUTION OF MARIJUANA	94	116	22	23.40%
UNLAWFUL CULTIVATION OF MARIJUANA	65	24	-41	-63.08%
UNLAWFUL POSSESSION OF MARIJUANA	164	113	-51	-31.10%
UNLAWFUL PUBLIC DISPLAY / CONSUMPTION OF MARIJUANA	33	33	0	0.00%
MARIJUANA PROHIBITED IN PARKS	6	0	-6	-100.00%
MARIJUANA BUSINESS LICENSE VIOLATIONS	2	0	-2	-100.00%
<b>GRAND TOTAL</b>	<b>369</b>	<b>290</b>	<b>-79</b>	<b>-21.41%</b>
<b>TOTAL NUMBER OF ARRESTEES PER INCIDENT</b>	<b>265</b>	<b>202</b>	<b>-63</b>	<b>-23.77%</b>

## IMPAIRED DRIVING ARRESTS

Impaired driving creates a serious public safety hazard. Over the years, overall impaired driving arrests have been on the decline in Denver. This change can be attributed to several factors, including public education campaigns and the rising popularity of ride-sharing services.

Marijuana-related DUID (driving under the influence of drugs) arrests have remained fairly consistent over the years, yet they remain a small portion of overall impaired driving arrests. It is important to note that the low volume of marijuana DUID arrests shown here is not indicative of the true frequency of impaired driving, but rather it reflects the difficulties of confirming marijuana-related impairment.

## DRIVING OFFENSES





**EMAIL**

[MarijuanaInfo@Denvergov.org](mailto:MarijuanaInfo@Denvergov.org)

**WEB**

[Denvergov.org/MarijuanaInfo](http://Denvergov.org/MarijuanaInfo)



**DENVER**  
THE MILE HIGH CITY