

THE DENVER

COLLABORATIVE APPROACH

LEADING THE WAY IN
MUNICIPAL
MARIJUANA MANAGEMENT

2020



DENVER
THE MILE HIGH CITY

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I. INTRODUCTION

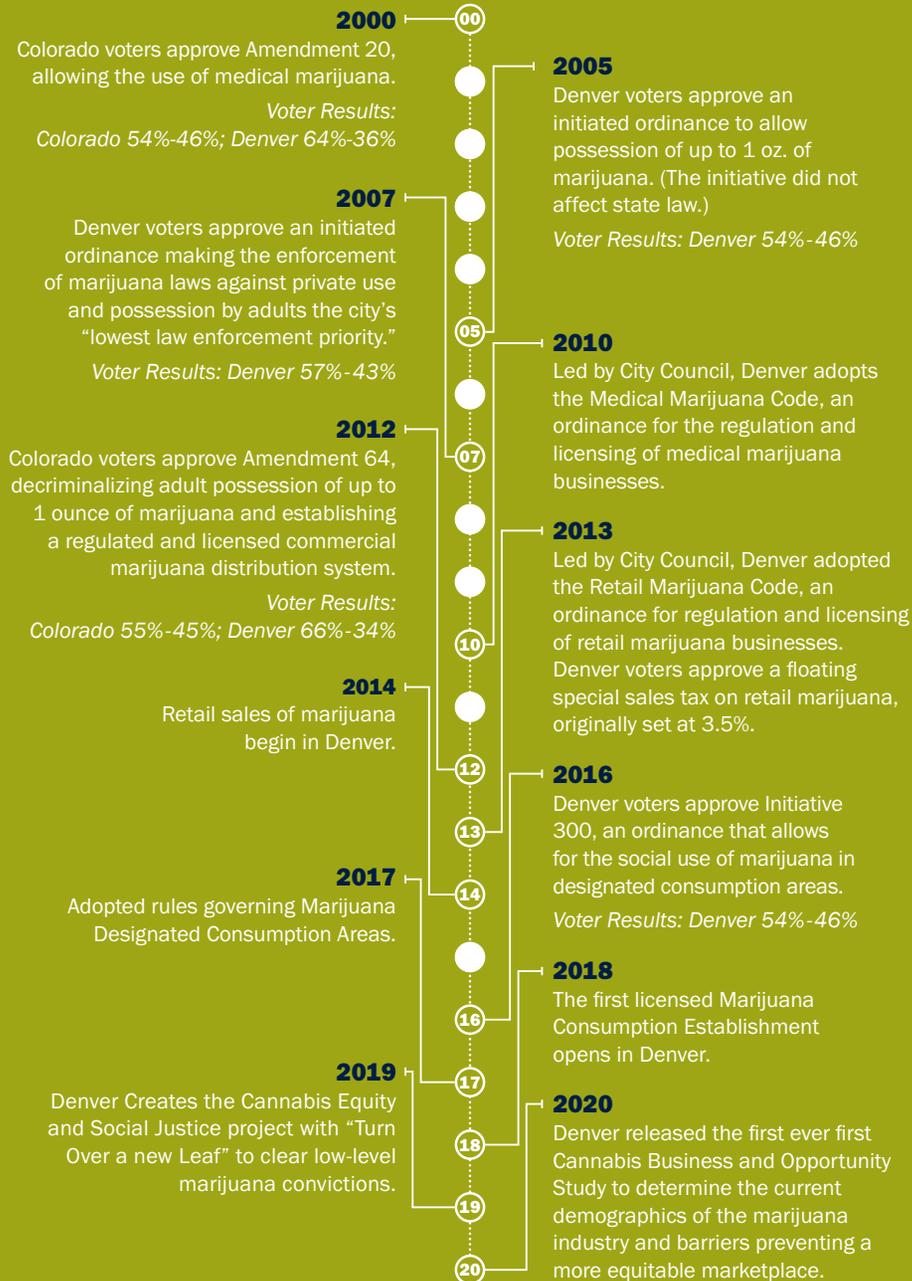
MARIJUANA IN THE MILE HIGH CITY

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, the voters of Colorado 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 both medical and retail marijuana.



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 Denver's Department of Excise and Licenses, supports and coordinates the work of dozens of city employees. The city's dedicated team of experts manage 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 enough resources – all in concert with the industry and the community.

In 2019, Denver marked the sixth year of retail sales of marijuana and the sixth year of the Office of Marijuana Policy's operation. Industry growth continues with more than 1,100 business licenses operating out of nearly 500 locations.

More recently, Denver has been developing a multi-pronged approach to ensuring that communities that have been disproportionately impacted by marijuana prohibition can benefit from the legalization of marijuana. Mayor Hancock's Cannabis Social Equity work involves exploring a variety of tactics including the continued use of marijuana tax revenue to support low and moderate-income neighborhoods, obtaining data related to the marijuana industry, vacating low-level marijuana convictions and identifying areas of need in workforce development and licensing ownership and entrepreneurship.

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 marijuana 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.

There are fourteen types of marijuana business licenses issued by the City of Denver as of January 1, 2020:

- Medical/Retail Storefront
- Medical/Retail Cultivation
- Medical/Retail Infused Product Manufacturer (MIP)
- Medical/Retail Testing Facility
- Medical/Retail Transporter
- Medical/Retail Off-premises Storage
- Cannabis Consumption Establishment/Special Event

NUMBER OF ACTIVE LICENSED MARIJUANA BUSINESSES FROM JAN 2014 TO JAN 2020:

PERIOD	MEDICAL LICENSES	RETAIL LICENSES	UNIQUE
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

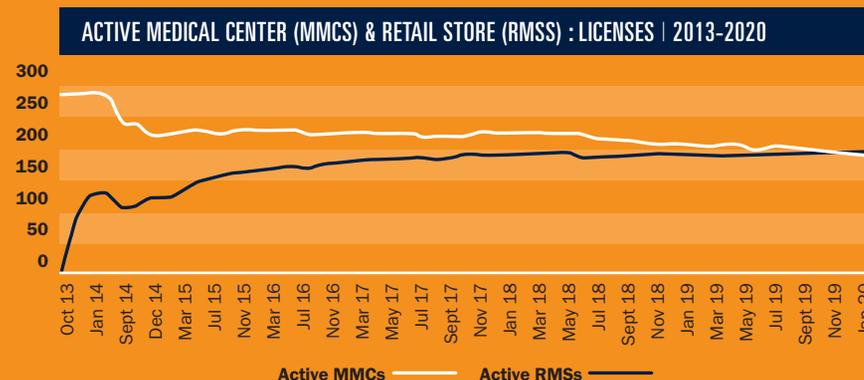
* The decrease from 2014 to 2015 in medical marijuana licenses happened in part because medical marijuana businesses that did not obtain both state and city licenses by July 1, 2014 were required to cease operations.

* The decrease in medical licenses from 2019 to 2020 happened as a result of the state collapsing one medical license per location.

NUMBER OF ACTIVE LICENSES BY TYPE OVER TIME:

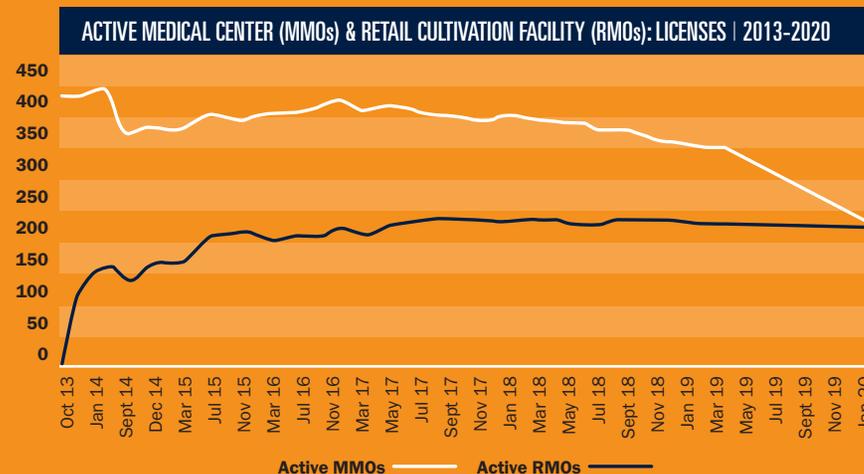
Active Medical Center (MMC) licenses were down -9% from 184 in January 2019 to 167 in January 2020.

Active Retail Store (RMS) licenses increased by 2%, from 167 in January 2019 to 170 in January 2020.

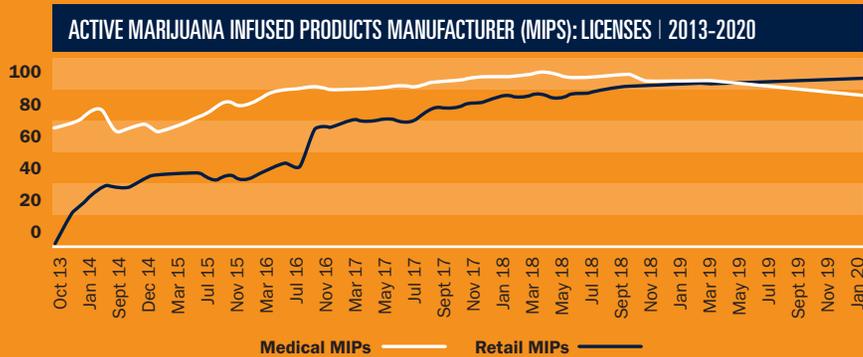


The number of active Medical Optional Premises Cultivation licenses declined -36% from the prior year, down to 214 in January 2020 from 336 in January 2019. This is a result of state law allowing only one medical license per location.

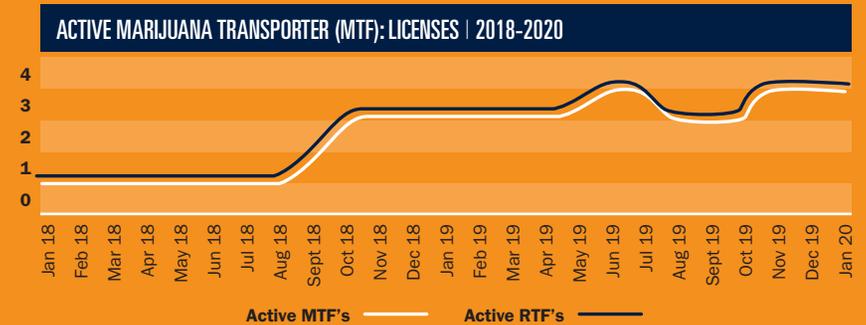
During that same time frame, active Retail Cultivation Facility licenses decreased -7% from 2019 – going from 215 in January 2019 down to 199 in January 2020.



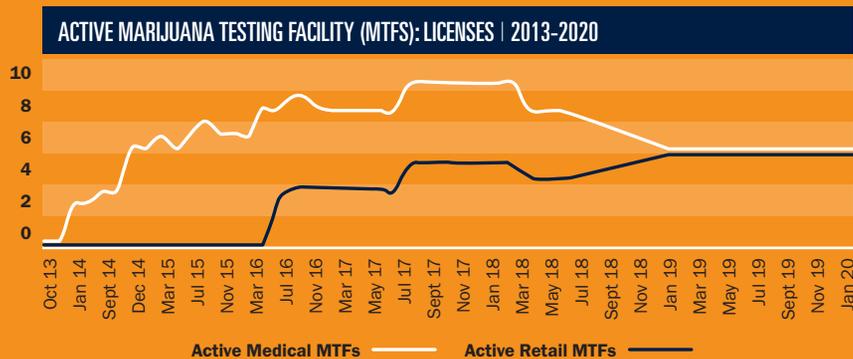
Medical Marijuana Infused Products Manufacturer licenses declined 10% during the same time frame, going from 93 in January 2019 to 84 as of January 2020. Active Licenses for Retail Marijuana Infused Products Manufacturers increased 8% over the prior year, going from 89 in January 2019 to 96 in January 2020.



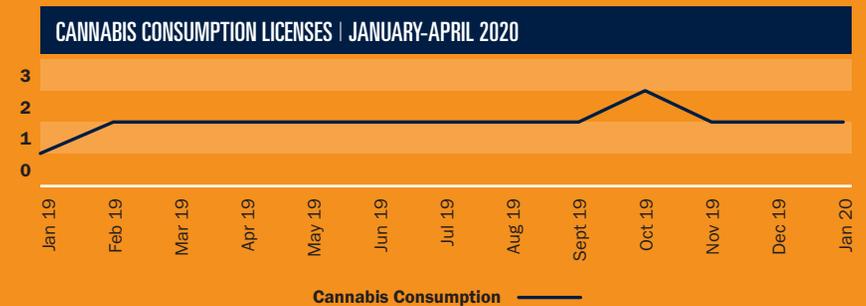
As of January 2020, the City had 4 active Medical Marijuana Transporter licenses and 4 active Retail Marijuana Transporter licenses. Both Medical & Retail Marijuana Transporter licenses increased 33%, going from 3 in January 2019 to 4 in January 2020.



Active licenses for both Medical and Retail Marijuana Testing Facility licenses were unchanged from 5 in January 2019 to 5 in January 2020.



As of January 2020, the City had 2 active Cannabis Consumption licenses. This is up 100% over the single Cannabis Consumption license that was active as of January 2019.



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*:	4.31%
State Standard Sales Tax:	2.90%
Medical Marijuana Sales Tax:	7.21%

*The Denver Preschool Fund directly receives .15% of the city's 3.65% overall standard sales tax. In November 2018, four ballot initiatives were approved by the voters of Denver to increase the standard sales tax rate by a combined total of .66%. All four measures went into effect January 1, 2019 and included sales tax increases for Parks (.25%), Mental Health (.25%), College Affordability (.08%), and Healthy Food (.08%).

In November 2013, Denver voters approved adding a special sales tax on retail marijuana that could vary from 3.5 to 15.0%. The tax is in addition to standard sales tax and all other applicable state taxes. Since 7/1/17, retail marijuana is exempt from the state standard sales tax, but is subject to both state and local special sales taxes:

Denver Standard Sales Tax*:	4.31%
Denver Special Sales Tax on Retail Marijuana**:	5.50%
State Special Sales Tax on Retail Marijuana***:	15.0%
Retail Marijuana Sales Tax:	24.81%

**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 towards the city's affordable housing project.

***Prior to 7/1/17, 15% of the State Special Sales Tax was shared with local jurisdictions. Since 7/1/17, 10% of the State Special Sales Tax has been shared with local jurisdictions.

MARIJUANA SALES

Denver: Retail Marijuana sales in Denver increased 11% year over year from 2018. Medical Marijuana sales in Denver experienced a 1% decline during the same period.

Colorado: Retail Marijuana Sales in Colorado increased by 15% from 2018 to 2019. Medical Marijuana Sales for the State of Colorado increased slightly by 2% over the same period.

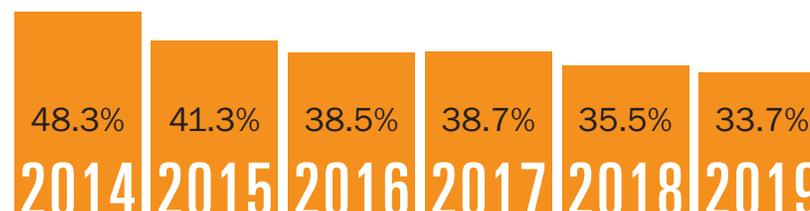
Note: 2014 and 2015 values for Colorado marijuana sales published in previous reports have since updated with current Treasury data.

DENVER MARIJUANA SALES	2014	2015	2016	2017	2018	2019
RETAIL	\$149.7M	\$219.3M	\$291.5M	\$377.5M	\$392.5M	\$434.9M
MEDICAL	\$180.1M	\$191.4M	\$212M	\$206.4M	\$155.5M	\$153.6M
TOTAL	\$329.8M	\$410.7M	\$503.5M	\$584M	\$548M	\$588.5M
TOTAL YOY% CHANGE	—	25%	23%	16%	-6%	7%

COLORADO MARIJUANA SALES	2014	2015	2016	2017	2018	2019
RETAIL	\$303.2M	\$577.5M	\$861.6M	\$1.1B	\$1.2B	\$1.4B
MEDICAL	\$380.3M	\$418.1M	\$445.6M	\$416.5M	\$332.2M	\$338.5M
TOTAL	\$683.5M	\$995.6M	\$1.3B	\$1.5B	\$1.5B	\$1.7B
TOTAL YOY% CHANGE	—	46%	31%	15%	3%	13%

HOW MUCH OF COLORADO'S TOTAL MARIJUANA SALES COME FROM DENVER?

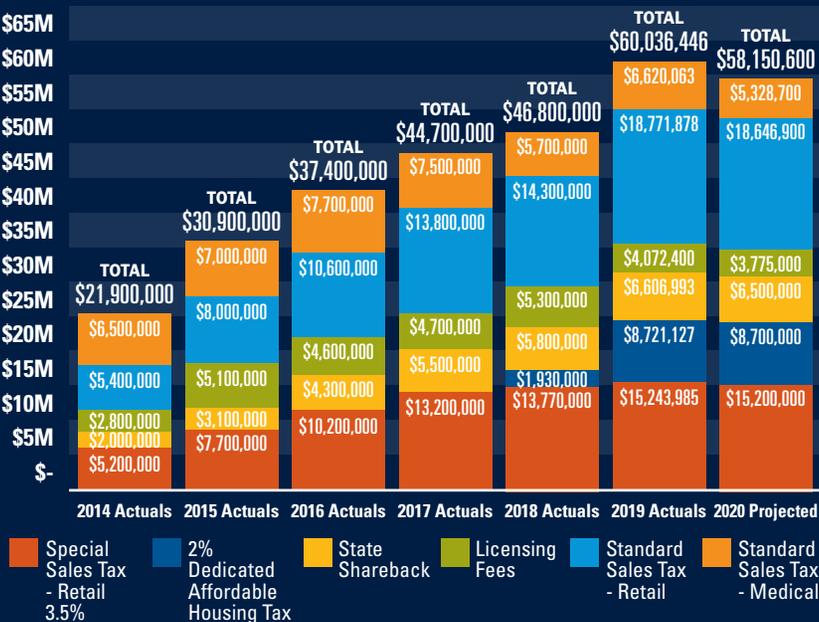
The following results are total Denver marijuana sales / total Colorado marijuana sales. From 2014 – 2019, Denver's portion of Colorado marijuana sales has declined by 15%, from 48.3% in 2014 to 33.7% in 2019. This indicates marijuana sales increased outside of Denver (at a higher rate than occurred within Denver) during the 2014 - 2019 period.



HOW MUCH REVENUE IS GENERATED IN DENVER FROM MARIJUANA?

Marijuana 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.

However, it's important to understand that marijuana revenue constituted about 4.3% of the city's general fund revenue in 2019.



Total General Fund Revenue/Marijuana Revenue as a % of General Fund Revenue

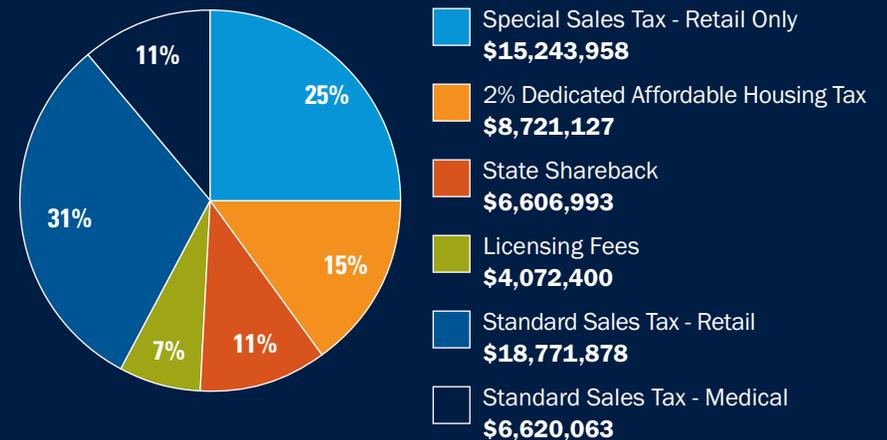
Year	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Projected
Revenue	\$1,124,674,402	\$1,204,306,900	\$1,238,208,804	\$1,309,418,915	\$1,343,348,264	\$1,406,061,854	\$1,485,509,355
Percentage	1.95%	2.57%	3.02%	3.41%	3.5%	4.3%	3.9%

*2020 revenue projections are based on 2018 and 2019 actuals and other revenue forecasting tools available in the Fall of 2019 during the development of the 2020 budget. 2020 projections will be updated for the 2021 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 of Denver and other local Colorado jurisdictions with retail marijuana sales

- Overall 2019 Revenue from Marijuana in Denver increased 28% over 2018.
- State Shareback revenue in 2019 was up 14% over 2018.
- 2019 revenue from Licensing Fees decreased 23% from 2018.
- Medical Sales Tax revenue was up 16% in 2019, compared to 2018.
- Retail Sales Tax revenue increased 31% in 2019, compared to 2018.
- Retail Special Tax revenue went up 11% in 2019, compared to 2018.

MARIJUANA REVENUE SOURCES FOR 2019 TOTAL: \$60M



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 by 2%, from 3.5% to 5.5%. This additional 2% is dedicated to affordable housing programs and is projected to generate \$8.7 million in 2020.

IV. BUDGET

WHAT DOES THE CITY DO WITH THAT REVENUE?

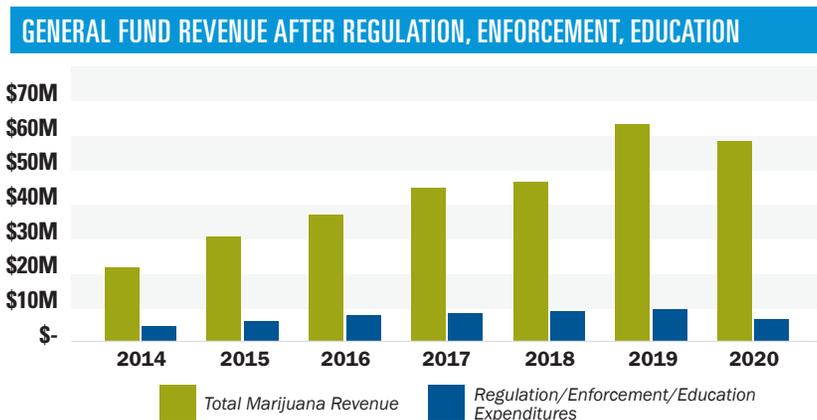
All of Denver’s marijuana-related revenue goes to the city’s general fund to pay for city services. The city first allocates the special retail sales tax and state shareback to fund the key areas of:

- Regulation
- Education
- Enforcement

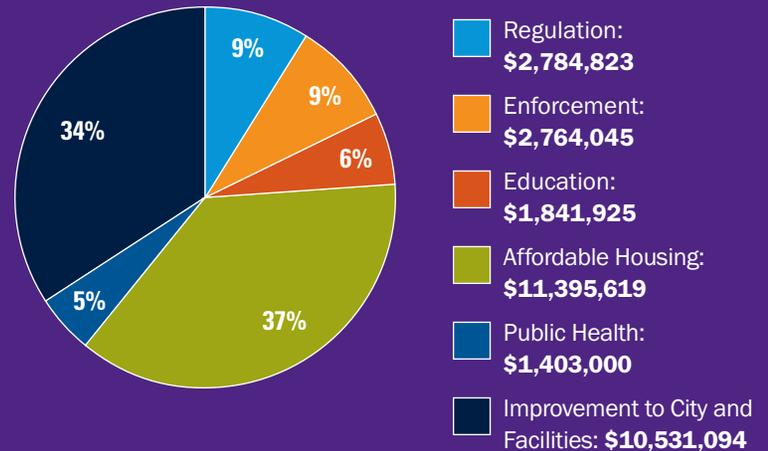
Of the projected \$21.7 million that can be appropriated for marijuana-specific spending in 2020, the city has budgeted **\$7.4 million** in expenditures across city departments and agencies for regulation, enforcement, and education efforts.

Additionally, in 2020, \$23.4 million from marijuana-related revenue was appropriated to add investments for deferred maintenance, affordable housing, opioid intervention and other one-time equipment costs.

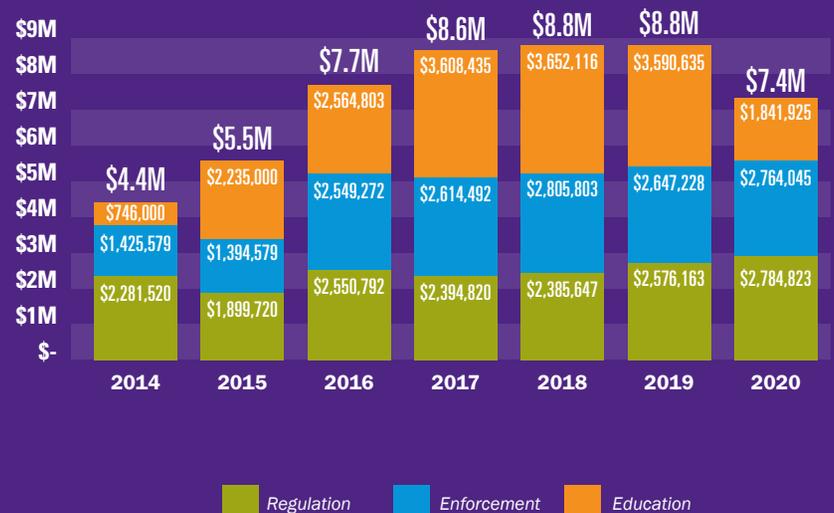
Finally, the standard sales tax received from retail and medical marijuana and the revenue from marijuana licensing fees (\$27 million in 2019) is treated the same as the city’s other sales tax revenue sources (such as clothing and other goods) in that it goes into the general fund and is spread across the city for a variety of general operating needs (libraries, parks, recreation programs, street maintenance, auditors, attorneys, etc.).



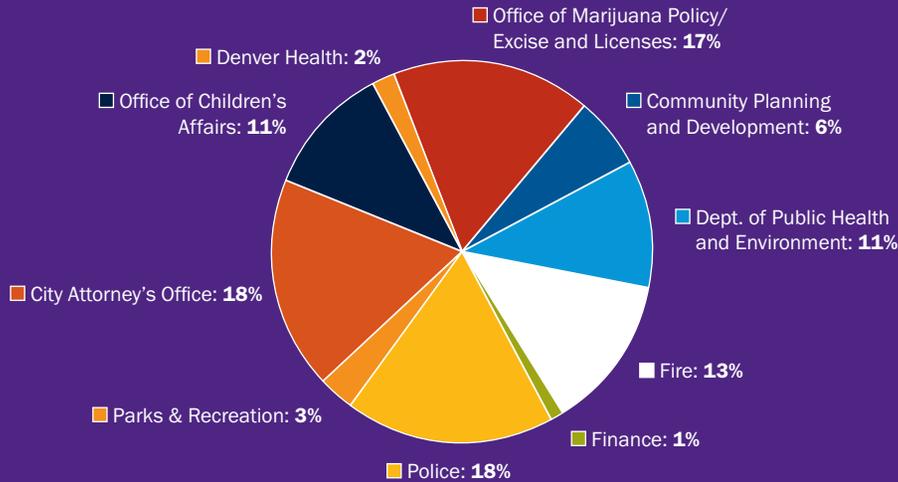
2020 RETAIL MARIJUANA SPECIAL SALES TAX AND STATE SHAREBACK ALLOCATION



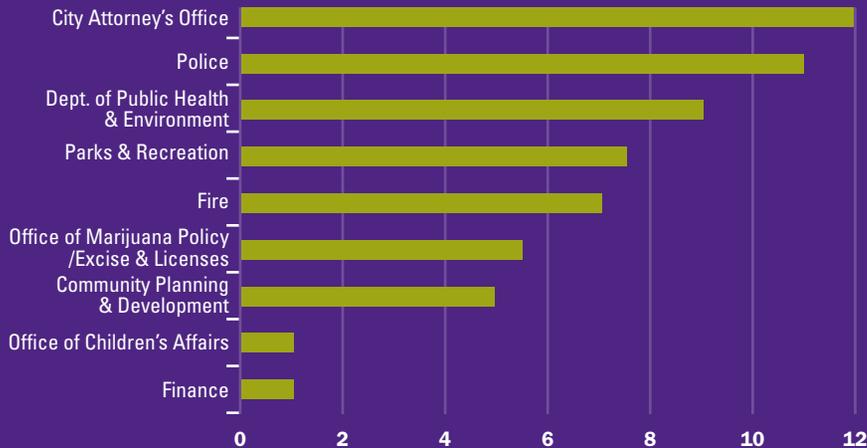
REGULATION, ENFORCEMENT, AND EDUCATION EXPENDITURES:



2020 DISTRIBUTION OF MARIJUANA REGULATION, ENFORCEMENT, AND EDUCATION COSTS BY DEPARTMENT:



2020 BUDGETED MARIJUANA-RELATED FTES



V. ACCOMPLISHMENTS

MARIJUANA EQUITY AND SOCIAL JUSTICE

EQUITY THROUGH MARIJUANA TAX REVENUE.

All our work in Denver is done through a race and social justice lens, and the budgeting of cannabis tax dollars is no different. The Office of Marijuana Policy has made it a priority to ensure the equitable distribution of marijuana revenue, and from 2014 to 2019 we were able to:

- Dedicate a portion of marijuana taxes that helped Denver double the affordable housing fund from \$15 million to \$30 million to **build more than 6,000 units**, which supports housing for many people including those who have been economically disadvantaged due to the failed war on drugs.
- **\$9.3 million** of the funds dedicated to affordable housing in 2019 are from Denver's special recreational marijuana tax.
- The City has dedicated more than **\$10 million** from Denver's 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 in Denver.
- Marijuana tax dollars are helping to upgrade parks and recreation centers in Denver, including the opening of Denver's first truly urban style recreation center called the **Carla Madison Recreation Center** in 2018. Funding for this recreation center included **\$3.2 million** from marijuana tax proceeds.

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.
- Create a workforce development tool for those interested in beginning a career in the marijuana industry that would allow for training and professional development.
- Promote criminal justice restitution through our Turn Over a New Leaf program.

LICENSING, OWNERSHIP AND WORKFORCE DEVELOPMENT

For decades, the war on drugs has significantly impacted our communities, with disproportionately harmful impacts on communities of color. The effects of prohibition and its consequences can negatively affect many aspects of a person's life, including employment, education, economic earning potential, qualification for government benefits and programs, and immigration status proceedings.

The challenge of today's post-legalized world is also our 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 now work together to foster more equitable access to participation in the cannabis industry, including promotion of ownership and stable employment opportunities.

To date, our team has **spoken with over 300 people**, including social justice advocates, marijuana industry owners and employees, and people who wish to enter into the cannabis industry. Our goal is to gather input on the City's long-term plan to support a social equity program.

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, we have received **538 applications**, which have resulted in **85 convictions being identified** as eligible for the program.

Denver held **five clinics** in different locations throughout the City. Criminal and immigration volunteer attorneys were present to assist attendees. Our team **went to the City and County Jail five times** in 2019 to guarantee that the incarcerated population has access to this resource. We continue to schedule future visits.

We **invested more than \$25,000** in City resources to create the program, staff clinics, and promote the program through community outreach, media relations and digital communications.

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 that its regulations address both current and future issues.

Change continues in Denver and Colorado at a rapid pace and the collaborative approach enables 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 policies which balance the needs of industry, consumers, families, and neighborhoods and preserve 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 priorities of marijuana management, including **robust regulation, strict enforcement**, and **effective education**.



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.

→ MORE THAN ←

\$16 MILLION of marijuana revenue from 2014-2019 has been granted to these important programs to protect and educate our youth.

The "Healthy Lifestyles for Youth" funds administered by Children's Affairs support quality afterschool and summer programs in over 50 organizations, supporting more than 10,000 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 Denver was also able to create a Marijuana Curriculum, designed to teach youth the different facts about marijuana and underage use. The curriculum is available at afterschool 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 4,321 youth and young adults who have violated a city or state law or school code in 2019. **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.
- 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 12-17

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



WWW.THEHIGHCOSTS.COM

- To date, the High Costs campaign has garnered over 241 million media impressions, or views, including a feature on CBS This Morning. A recent survey showed that 75 percent of teens aware of the High Costs campaign said that its messaging discouraged them from using marijuana.
- The campaign can be found online at **TheHighCosts.com**.

Information & Outreach

- Sponsored a Denver Police radio campaign educating listeners about Denver marijuana laws, responsible consumption and safe storage.
- Continued collaboration with the State of Colorado's education campaigns and continued to serve on the state's Marijuana Education Oversight Committee.
- Updated Denvergov.org/MarijuanaInfo website
 - Made various "Know the Law" updates and created a hub for all state and local laws and regulations.
- Attended community meetings of all stripes, including:
 - Registered Neighborhood Organization meetings
 - City Council district gatherings
 - Inter-Neighborhood Cooperation committee meetings
 - Other community meetings

PUBLIC EDUCATION & COMMUNICATION CONTINUED

Collaboration & Communication

- Participated in Mayor Hancock’s quarterly Cabinet in the Community.
- Continued to present updates to the Downtown Denver Partnership, Visit Denver, the Denver Chamber of Commerce and other groups upon request.
- Continued conference calls with other states that have legalized marijuana.
- Continued to host information briefings for other jurisdictions, states and countries requesting information on how Denver regulates marijuana.
- Supported the “Policy and Practice Summit” sponsored by the Denver Afterschool Alliance.
- Met with neighborhood groups, SMART Colorado, nonprofits and other entities requesting information about marijuana.
- Coordinated with Denver Health on collecting data related to marijuana public health impacts.
- Continued to participate in the Denver Partnership for Youth Success working group.
- Created the Equity Governance Work Group and the Community Cannabis Equity and Social Justice Committee.

Industry Outreach

- Continued to educate the industry through regular Marijuana Informational Bulletins on new and changing regulations.
- Assisted as needed with other efforts including Denver Department of Public Health and Environment’s Cannabis Sustainability Newsletter and best practices manual.
- Held quarterly check-in meetings with the marijuana industry.
- Held special meetings, as needed, on educational topics or for input on policies, procedures and regulations.
 - Invited industry members to participate in the Community Cannabis Equity and Social Justice Committee.
 - Invited industry members periodically to attend internal meetings to brainstorm, report out, and provide an industry viewpoint.
- Attended industry association meetings of the Marijuana Industry Group, Cannabis Business Alliance, and Colorado Cannabis Chamber of Commerce.

- Attended industry-sponsored educational events, tours and briefings.
- Continued the Permitting Assistance Team to help businesses navigate social consumption rules and regulations.

Customer Service

- The city continues to develop and publish marijuana informational dashboards that live on the Denver Marijuana Info website.
- Analyzed 311 inquiries to identify frequently asked questions and provide answers.
- Created the option for scheduled appointments for marijuana licensing transactions.

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.
- Created a mechanism to obtain feedback from internal agencies regarding operational efficiencies, effectiveness of policies, and the quality of the decision-making model.

DENVER MARIJUANA MANAGEMENT SYMPOSIUM

- In 2019 Denver hosted the fourth annual Marijuana Management Symposium to share information with regulators and policymakers from around the world.
- The event spanned two and a half days and hosted 356 attendees and 61 speakers from 3 countries, 17 U.S. states and the District of Columbia. The symposium has become the centerpiece of Denver’s collaboration with other governments as the city has become a model for those who are adjusting to newly legalized marijuana or facing the possibility of future legalization.
- The city is committed to exchanging information and best practices with others to contribute to the public good, build better communities and develop common ground for the future.



THE LEADER IN CONSUMER HEALTH & SAFETY PROTECTION

Denver's Department of Public Health and Environment (DDPHE) continues to address consumer safety issues with a focus on mold contamination, ingredients lacking safety information used in smoking and vaping products, and underregulated hemp-derived cannabidiol ingestible products sold for therapeutic or wellness purposes.

In the absence of state and federal public health regulations and guidelines for marijuana products, the city stands in the gap, looking out for its residents and visitors as well as protecting consumer health and safety.

Denver continues to coordinate with other local and state agencies and the marijuana industry to identify potentially harmful marijuana products and place them on hold and/or recall them when necessary.

- In 2019, DDPHE conducted 27 cannabis investigations that resulted in four business recalls.
- Denver has conducted 43 recalls to date in the cannabis program which were due to mold and/or pesticide contamination, unapproved source issues, or shelf stability concerns.

DDPHE collaborated with the Cannabis Health & Safety Advisory Committee to develop an assessment of contaminants in recreational marijuana products sold in Denver and then carried out this assessment in the latter half of 2019.

- The goal of this assessment was to better understand the degree to which contaminants, specifically pesticides and molds, are present in regulated recreational marijuana products sold in the City and County of Denver.
- Although results have yet to be published, preliminary results from the assessment indicate that products sold can be contaminated with molds without dispensary employees' and consumers' awareness. The results from this assessment have many public health, policy, and regulation implications.
- Due to the ongoing COVID pandemic, DDPHE has not yet published results finding from the 2019 baseline assessment.
- The baseline assessment consisted of 25 retail marijuana stores identified to assess contaminants in products on store shelves. DDPHE worked with epidemiological partners at Denver Public Health to create the assessment methodology. Participating stores were randomly identified for inclusion in the assessment. Current METRC inventory lists were pulled for each store with assistance from the Colorado Marijuana Enforcement Division and were used to randomly identify samples of flower, trim/shake, and pre-rolls. Each sample was tested for pesticides and total yeast and mold by state- and ISO-certified marijuana testing facilities. Results of their respective testing were shared with each facility and will also be shared broadly within a write-up of results at a later date.

Any comments or questions about this assessment can be emailed to 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 black market marijuana. Through increased enforcement and collaboration between all city agencies, the City of Denver was able to mitigate many of the issues leading to the increase in black market marijuana. The Denver Police Department remains committed to enforcing all state and local laws pertaining to the illegal production and sale of marijuana.

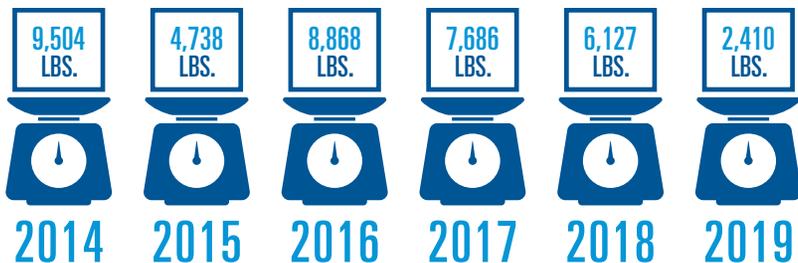
WHAT DOES THE BLACK MARKET LOOK LIKE?

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

- Internet sales (Craigslist, Facebook groups, etc.)
- Mid-level trading: Continuous market of people purchasing \$5,000-\$10,000 of Colorado marijuana and transporting/shipping it out of state for resale.
- Large criminal organizations

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

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



This data only reflects seizures processed through the Denver Police Department crime lab.

- DPD's marijuana team has been involved in numerous operations where marijuana seized was processed by the Drug Enforcement Agency. Those numbers are not reflected here.
 - For example, in 2013, DPD worked with federal agencies and seized more than 10,000 pounds, in one case alone, all of which was processed by the DEA.

POLICE OUTREACH

DPD has worked proactively with marijuana business owners to provide them with crime fighting tips and share best practices with and among marijuana businesses.

- In 2019, DPD continued the district outreach program which allows industry members to meet the commander and officers in their district.
- DPD continued to educate the industry with Crime Prevention Through Environmental Design (CPTED), which provides crime fighting and safety tips.

HOME GROWS

Denver residents can cultivate up to six plants per adult in a household and never more than 12 plants total. Additionally, Denver created a limitation of 36 plants on a non-residential zone lot. Over the last several years, the city has received many complaints of home growing that exceeds the legal plant count.

The city is addressing these issues with:

- Streamlined communication processes between police and city inspectors to help address complaints.
- Increased number of officers working to address illegal home grows.
- Developed an education campaign on home grow safety and how to spot illegal activity.

MARIJUANA CRIME & ARREST DATA

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 accounts for less than 1 percent 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

YEAR	OTHER NON-INDUSTRY RELATED CRIME**	DUI/D MARIJUANA	TOTAL MARIJUANA OFFENSES	TOTAL CITYWIDE OFFENSES
2014	107	66	788	61,276
2015	81	73	696	64,317
2016	64	63	636	65,368
2017	62	63	548	66,354
2018	24	92	588	66,023
2019	25	97	483	65,470

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

* Industry Related Crime entails reported criminal offenses where marijuana businesses were either the victim or the perpetrator of a crime. Approximately 77% of these crimes were burglaries or larcenies that occurred at licensed marijuana businesses.

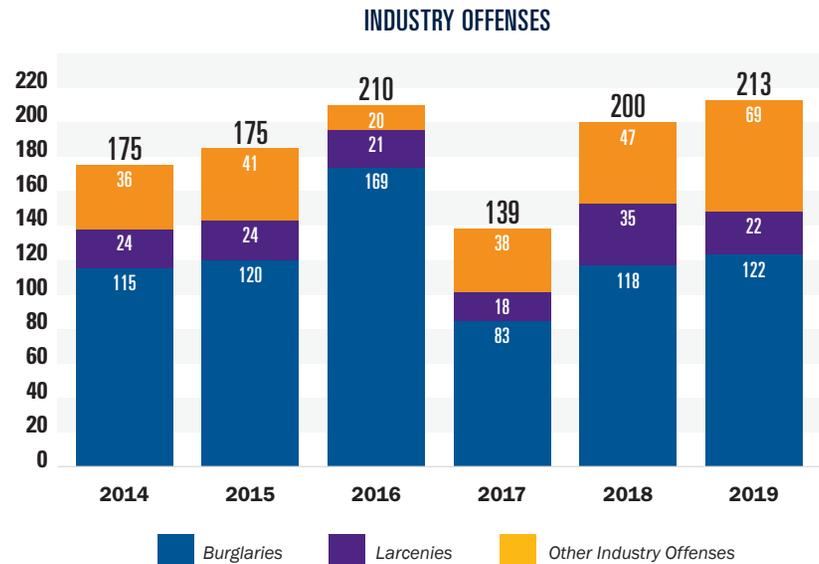
** Other Non-Industry Related Crime entails reported criminal offenses that are not direct violations of marijuana law and do not have a clear connection to a licensed business, yet marijuana is believed to be the motive for the crime. For example, if someone is growing four marijuana plants in their garage for personal use, and someone breaks into the garage to steal the marijuana plants, that would be considered other non-industry related crime.

2. Marijuana Industry Related Offenses

Definition: The subset of Marijuana Related Offenses where licensed marijuana businesses were either the victim or the perpetrator of a crime. Marijuana Industry Related Offenses represents less than 1/2 of 1 percent of overall crime in Denver. In 2019, burglary or attempted burglary accounted for 57% of Marijuana Industry-Related Offenses. Larceny (theft) accounted for another 10% of all Marijuana Industry-Related Offenses.

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

In 2019, burglary or attempted burglary accounted for 57% of Marijuana Industry-Related Offenses. Larceny (theft) accounted for another 10% of all Marijuana Industry-Related Offenses.



Violent Offenses related to the licensed marijuana industry is rare, with 7 reported in 2013, 8 reported in 2014, 8 reported in 2015, 3 reported in 2016, 6 reported in 2017, 7 reported in 2018 and 22 reported in 2019.

- Note: Violent Offenses includes homicide, rape, robbery, and aggravated assault.
- There were 22 violent offenses related to the marijuana industry in 2019, or one violent offense related to the marijuana industry for every 244 violent offenses overall.
- Marijuana businesses make up less than 1% of all businesses in Denver but account for approximately 10% of all reported business burglaries.

3. Arrests

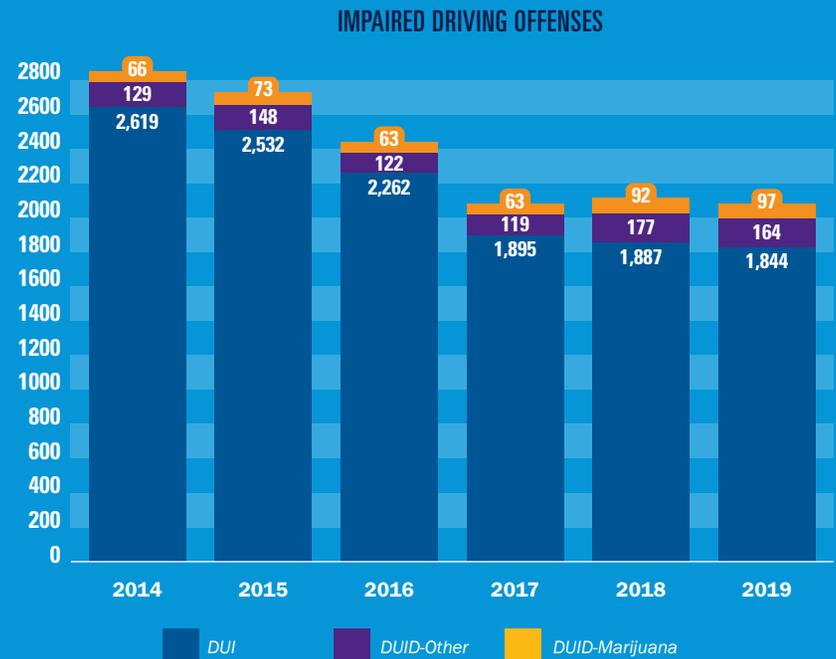
Definition: City and County of Denver arrest data include citations and bookings for violations of marijuana laws in State of Colorado statute and/or City of Denver municipal code. There may be multiple arrests/citations per reported incident. A citation is a ticket to appear in court and an arrest is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

VIOLATION DESCRIPTION	2018	2019	CHANGE	%
UNLAWFUL EXTRACTION OF MARIJUANA CONCENTRATE	31	4	-27	-87%
UNLAWFUL DISTRIBUTION OF MARIJUANA	283	131	-152	-54%
UNLAWFUL CULTIVATION OF MARIJUANA	181	80	-101	-56%
UNLAWFUL POSSESSION OF MARIJUANA	395	286	-109	-28%
UNLAWFUL PUBLIC DISPLAY / CONSUMPTION OF MARIJUANA	388	167	-221	-57%
MARIJUANA PROHIBITED IN PARKS	122	41	-81	-66%
MARIJUANA BUSINESS LICENSE VIOLATIONS	14	7	-7	-50%
GRAND TOTAL	1414	716	-698	-49%
TOTAL NUMBER OF ARRESTEES PER INCIDENT	1052	551	-501	-48%

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.



E M A I L

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W E B

[Denvergov.org/MarijuanaInfo](https://denvergov.org/MarijuanaInfo)



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