

**SUSPENSION OF REGULATION 100 MARIJUANA ESTABLISHMENT LICENSE
LOTTERY**

WHEREAS, Section 56-239 of Medical Marijuana, Article II of Chapter 56 of the Code of Ordinances (Ordinance No. 05, Series 2014), and Section 56-267 of Retail Marijuana, Article II of Chapter 56 of the Code of Ordinances (Ordinance No. 04, Series 2014), each authorize the city administrator, acting as the licensing authority, to promulgate rules and regulations to implement the requirements of the respective license ordinances; and

WHEREAS, in 2015, the licensing authority ("Authority") established a license lottery system as the number of applicants exceeded the limited number of permitted medical and retail cultivation and product manufacturing licenses, and the Authority sought to ensure that all applicants were offered an equal chance to acquire a license; and

WHEREAS, to approve its efficiency and further ensure equality among participants, the lottery system was twice amended in 2017; and

WHEREAS, upon adoption of Ordinance No. 27, Series 2017, the City increased the number of medical and retail cultivators and product manufacturing licenses; and

WHEREAS, at this time, as the number of both medical and retail cultivation and product manufacturing licenses available, exceeds the demand, the Authority finds that there is not a need for the lottery licensing system.

NOW, THEREFORE, until or unless otherwise directed by the Authority the operation of the Marijuana Establishment License Lottery as set forth in Regulation 100 of the Fourth Amended and Restated Marijuana License Rules and Regulations is suspended.

Approved and adopted this 8th day of August, 2018.



Gary Klaphake, City Administrator
Medical and Retail Marijuana Licensing Authority

**THIRD AMENDED AND RESTATED MARIJUANA
LICENSING RULES AND REGULATIONS**

WHEREAS, Section 56-239 of Medical Marijuana, Article II of Chapter 56 of the Code (Ordinance No. 05, Series 2014), and Section 56-267 of Retail Marijuana, Article III of Chapter 56 of the Code (Ordinance No. 04, Series 2014), each authorize the city administrator, acting as the licensing authority, to promulgate rules and regulations to implement the requirements of the respective licensing ordinances; and

WHEREAS, since the state's onset of licensing medical marijuana establishments, followed by Amendment 64's resulting legalization of retail marijuana establishments, and the states licensing of same the state's regulations pertaining to both have remained subject to constant amendment; and

WHEREAS, to keep abreast of the state's regulations and promptly address local concerns, the licensing authority issued and/or amended and restated its marijuana licensing regulations in July 2011, July 2012, May of 2014 and April 2015; and

WHEREAS, the 2015 amendments, which established a lottery and waiting list were necessitated by the City Council's enactment of an ordinance which increased the number of permitted medical and retail marijuana cultivation and product manufacturing facilities; and

WHEREAS, for a variety of issues regarding matters such as site acquisition, financing and ownership changes none of the applicants who were selected in the 2015 lottery have acquired a local license; and

WHEREAS, to avoid the lengthy delays, which are detrimental to all parties, including the public the licensing authority desires to enact measures that ensure that applicants selected in any future lottery will be able to obtain a local license in a timely manner; and

WHEREAS, to achieve such goal and ensure that all potential applicants have an equitable opportunity the licensing authority desires to repeal the current lottery and waiting list regulations and replace them with a lottery system which requires that applicants first meet certain pre-qualification standards; and

WHEREAS, the amended lottery procedure will be available for any licenses which become available in the future, if, for example, when a current business ceases to operate or City Council decides to increase the number of permitted medical and retail marijuana businesses; and

WHEREAS, the adoption of the amended lottery procedure will also repeal the current regulation regarding the existing cultivation and product manufacturing waiting list.

NOW, THEREFORE, the Licensing Authority issues the Third Amended and Restated Marijuana Licensing Rules and Regulations.

Section 1. MARIJUANA LICENSING RULES AND REGULATIONS

Regulation 100. Marijuana Establishment License Lottery

1. All registrants must complete a Lottery Registration Form available from the City Clerk and submit it to the Office of the City Clerk, City of Lafayette, 1290 South Public Road, Lafayette, CO, 80026. In addition, each registrant shall meet the lottery's pre-qualification requirements, which include:

Third Amended and Restated Marijuana Licensing Rules and Regulations

- a. The entrant shall submit a complete application for local licensing in accordance with the requirements of the Lafayette Code of Ordinances (“Code”), along with all applicable fees, which shall be subject to a refund of monies not expended in the City's pre-qualification review, if the entrant is not deemed pre-qualified or selected in the lottery. Upon submittal for the lottery applications may not be amended or supplemented.
 - b. The entrant shall submit proof that the entrant has or will have lawful possession of the premises proposed for the marijuana establishment, which proof may consist of: a deed, a lease, a real estate contract contingent upon successful licensing, or a letter of intent by the owner of the premises indicating an intent to lease the premises to the entrant contingent upon the entrant being selected to submit an application. If selected an entrant must as a condition of the City's review of the application have lawful possession of the premises absent any contingencies.
 - c. The location proposed for licensing by the entrant shall comply with all applicable city zoning laws and the location restrictions set forth in the Code.
 - d. The entrant shall submit, to the satisfaction of the licensing authority, proof of financial capability to open and operate the marijuana establishment for which the entrant is seeking to apply. Standards for proof of financial capability shall be determined by the licensing authority.
 - e. In addition to complying with any other state or City requirement related to good character and criminal background, any person proposed to have an ownership interest in the license shall not have committed in the preceding year any public safety violation, as defined in the rules and regulations of the state's marijuana licensing authority or a local authority, or received any suspension or revocation of any other state or local marijuana business license in the preceding year.
 - f. The entrant and the application must also be in compliance with any and all qualification standards set forth in state and city laws or regulations.
 - g. Those applicants not deemed pre-qualified shall be notified in writing by the City Clerk who shall also notify in writing all lottery participants of their post lottery status.
2. Upon a date and time established by the City Clerk, a random drawing of all of entries meeting the pre-qualification requirements set forth above will be held by the City Clerk at the City of Lafayette, Colorado, Council Chambers, at 1290 South Public Road, Lafayette, CO, 80026. Up to five (5) potential applicants will be selected and assigned a number from one to five in the order they are drawn from first to last. The first entrant selected shall have the opportunity to apply for a license to operate a medical or retail marijuana establishment identified in the lottery. Should a selected entrant withdraw or be denied a license or not acquire a license within the specified time set forth herein, the next selected pre-qualified applicant shall be considered.
 3. The other entrants chosen shall, in the order selected, be placed on a waiting list. Registrants may remain on the waiting list for up to twelve (12) months from the date of the initial selection after which the list shall expire.
 4. IN NO EVENT SHALL A LOTTERY ENTRANT, AN ENTRANT'S POSITION ON THE WAITING LIST, OR SELECTED APPLICANT, BE ALLOWED TO SELL, TRANSFER OR OTHERWISE ASSIGN THEIR POSITION TO ANY OTHER PERSON OR ENTITY.
 5. Selected applicants must obtain all required local licensing within six (6) months from their date of selection. Upon written request, the local licensing authority may, for “good cause,” as

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determined solely within the local licensing authority's discretion, grant an applicant one extension not to exceed ninety (90) days.

Regulation 200. Delegation of Authority to City Clerk.

The City Clerk is authorized to act as the licensing authority for the issuance of renewals of annual medical and retail marijuana business licenses provided that the licensee has not, during the preceding license year, violated any of the applicable laws, rules, or regulations set forth in the Colorado Revised Statutes, the Colorado Code of Regulations regarding Medical and Retail Marijuana or the City's Medical and Retail Marijuana Codes, including any regulations adopted by the licensing authority.

Section 2. All other rules and regulations previously adopted, amended and/or restated by the Licensing Authority are repealed in their entirety.

Approved and adopted this 21 day of March, 2017.



Gary Klapchak, City Administrator
Medical and Retail Marijuana Licensing Authority

**FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED
MARIJUANA LICENSING RULES AND REGULATIONS**

WHEREAS, Section 56-239 of Medical Marijuana, Article II of Chapter 56 of the Code (Ordinance No. 05, Series 2014), and Section 56-267 of Retail Marijuana, Article III of Chapter 56 of the Code (Ordinance No. 04, Series 2014), each authorize the city administrator, acting as the Licensing Authority, to promulgate rules and regulations to implement the requirements of the respective licensing ordinances; and

WHEREAS, since the state's onset of licensing medical marijuana establishments, followed by Amendment 64's resulting legalization of retail marijuana establishments, and the states licensing of same the state's regulations pertaining to both have remained subject to constant amendment; and

WHEREAS, to keep abreast of the states regulations and promptly address local concerns, the City's Licensing Authority issued and/or amended its regulations in July 2011, July 2012, and May of 2014; and

WHEREAS, on April 30, 2015 the City, through enactment of Ordinance Nos: 16 and 17, Series 2015, amended its medical and retail marijuana licensing ordinances and in doing so incorporated a number of the Licensing Authority's existing regulations; and

WHEREAS, shortly thereafter, the Licensing Authority once again amended its regulations , which included adoption of a cultivation and product manufacturing waiting list procedure which was necessitated by the City's cap upon the number of permitted establishments within the City; and

WHEREAS, in accordance with both the City's Medical Marijuana and Retail Marijuana Codes, the City Clerk is responsible for the acceptance of all applications, determination of an applications sufficiency, coordination of an application's review by all applicable City departments and presentation of applications to the Licensing Authority for its approval or denial; and

WHEREAS, the City Clerk also performs the above-described functions for all license renewals; and

WHEREAS, for administrative efficiency and because of the City Clerk's in depth involvement and knowledge of the application process, applicants, and licensees, the Local Authority desires that the City Clerk be granted administrative authority to approve renewals, absent a licensee's violation of any state or local medical or retail marijuana licensing law, rule or regulation during the preceding year.

NOW, THEREFORE, the Licensing Authority issues the following First Amendment to the Second Amended and Restated Marijuana Licensing Rules and Regulations:


Section 1. MARIJUANA LICENSING RULES AND REGULATIONS

Regulation 1:110, "Delegation of Authority to City Clerk of the Marijuana Licensing Rules and Regulations" is enacted to provide:

The city clerk is authorized to act as the Licensing Authority for the issuance of renewals of annual medical and retail marijuana business licenses provided that the licensee has not, during the preceding license year violated any of the applicable laws, rules, or regulations set forth in, the Colorado Revised Statutes, the Colorado Code of Regulations regarding Medical and Retail

Marijuana or the City's Medical and Retail Marijuana Codes, including any regulations adopted by the Licensing Authority.

Approved and adopted this 15th day of March, 2016.



Gary Klaphak, City Administrator
Medical and Retail Marijuana Licensing Authority

**SECOND AMENDED, RESTATED
MARIJUANA LICENSING RULES AND REGULATIONS**

WHEREAS, Section 56-239 of Medical Marijuana, Article II of Chapter 56 of the Code (Ordinance No. 05, Series 2014), and Section 56-267 of Retail Marijuana, Article III of Chapter 56 of the Code (Ordinance No. 04, Series 2014), each authorize the city administrator, acting as the Licensing Authority, to promulgate rules and regulations to implement the requirements of the respective licensing ordinances; and

WHEREAS, since the state's onset of licensing medical marijuana establishments, followed by Amendment 64's resulting legalization of retail marijuana establishments, and the states licensing of same the state's regulations pertaining to both have remained subject to constant amendment; and

WHEREAS, to keep abreast of the states regulations and promptly address local concerns, the City's Licensing Authority has issued and/or amended its regulations in July 2011, July 2012, and May of 2014; and

WHEREAS, the City, effective April 30, 2015, through enactment of Ordinance Nos: 16 and 17, Series 2015, has amended its medical and retail marijuana licensing ordinances and in doing so incorporated a number of its existing regulations; and

WHEREAS, for administrative efficiency, the Licensing Authority desires to once again amend its rules and regulations.

NOW, THEREFORE, the Licensing Authority issues the following restated marijuana licensing rules and regulations:

Section 1. MARIJUANA LICENSING RULES AND REGULATIONS

Regulation 1.100, **Cultivation and Product Manufacturing Waiting List.**

Any Prospective Applicant ("PA") who is unable to apply for a retail marijuana product manufacturer, medical marijuana infused product manufacturer, retail marijuana cultivation facility or optional premises cultivation license because the maximum number of permissible locations have been licensed, may be placed on the Marijuana Cultivation and Product Manufacturing Waiting List, to be notified on a first come-first served basis, when the opportunity for applying for a license becomes available through denial, non-renewal, administrative revocation, voluntary surrender by a current applicant or licensee or for any other reason.

1. A PA must submit a written request to the city clerk in order to be placed on the waiting list.
2. PAs on the list will be contacted in order by the city clerk when an opportunity for applying for a license becomes available.
3. Those contacted must submit a Notice of Intent to File an Application ("Notice of Intent") to the city clerk within two business days (48 hours) of being contacted by the city clerk.
4. The PA must secure a local license within six (6) months following the date of the Notice of Intent. The local license authority may in its sole discretion for "good cause" extend the license deadline.
5. If the PA fails to timely respond to the city clerk's notification, the PA will be removed from the waiting list and the clerk will contact the next PA on the list.

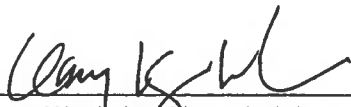
6. PA's may remain on the waiting list for up to twenty-four (24) months from the date of the city clerk's placement of the PA on the waiting list, however those remaining on the list after such period of time shall be automatically deleted from the waiting list, but may reapply.
7. Positions on the waiting list may not be assigned or transferred except to a parent or subsidiary entity of the PA.

Regulation 1.200. Severability.

If any portion of these rules is found to be invalid, the remaining portion of the rules shall remain in full force and effect.

Section 2. All other rules and regulations, with the exception of the administrative lottery procedure for retail marijuana stores, medical marijuana centers and co-located stores and centers are repealed in their entirety.

Approved and adopted this 5th day of April, 2015.



Gary Klappake, City Administrator
Marijuana Licensing Authority