

SUBJECT: **ORDINANCE NO. 1889, SERIES 2024 – AN ORDINANCE
AMENDING TITLE 5 OF THE LOUISVILLE MUNICIPAL CODE
CONCERNING LIQUOR AND MARIJUANA LICENSING – 2nd
READING, PUBLIC HEARING (advertised *Daily Camera* 12/8/24)**

DATE: **DECEMBER 17, 2024**

PRESENTED BY: **GENNY KLINE, INTERIM CITY CLERK / SECRETARY, LOCAL
LICENSING AUTHORITY**

SUMMARY:

The attached ordinance is to align Title 5 of the Louisville Municipal Code with Colorado State Statute and Rules that were enacted during the 2024 Colorado General Assembly Session.

Biennial vs. Annual License Renewal and Payment of Local Fees

The State will now allow Liquor and Marijuana License holders to renew their license on a biennial basis rather than an annual basis. Local jurisdictions have the authority to either align with the State or keep the requirement for annual renewal.

The attached ordinance allows for a local biennial license renewal and the option to either pay their local fee in full at the time of renewal or to make one payment at time of renewal and a second payment 12 months after the renewal application is filed.

Changes to Marijuana Licensing Only

- **Persons Prohibited as Licensees**

The State changed language relating to persons prohibited from holding a marijuana license. The language in the attached ordinance aligns the municipal code with state statutes.

- **Modification of Premises**

The State no longer requires the marijuana establishment to apply for a modification of premises when making physical changes to the establishment. The State now asks the applicant to supply information as to the changes that were made at the time of the biennial renewal application. However, the State rules clarify that local jurisdictions may still require approval for modifications.

After consulting with the Director of Community Development, staff is recommending that the current requirements for a modification of premises be maintained at the local level. This will ensure that no material changes are being made to a marijuana establishment without the knowledge of the Local Licensing Authority and Community Development.

- **Retail Marijuana Store Changes**

Retail marijuana stores are now allowed to sell non-infused products (such as soda, chips, snacks, candy, etc.) as long as those food sales are not in excess of 20% of a store's annual gross revenue.

Retail marijuana stores are now allowed to sell marijuana products over the internet and to deliver marijuana or marijuana products to a person outside of the licensed premises.

The attached ordinance aligns the municipal code with the state language for these retail store changes.

The Local Licensing Authority (LLA) has been made aware of the above changes and recommendations and has taken no formal position. The LLA will support any actions taken by Council.

FISCAL IMPACT:

None.

PROGRAM/SUB-PROGRAM IMPACT:

This ordinance supports the Clerk's Office goals by helping to ensure effective and efficient governance as it relates to liquor and marijuana licensing.

RECOMMENDATION:

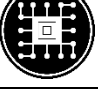
At second reading the Council may:

- Approve Ordinance No. 1889, Series 2024, as submitted
- Amend Ordinance No. 1889, Series 2024, as long as the amendments are not more restrictive than those found in state statutes.

ATTACHMENT(S):

1. Ordinance No. 1889, Series 2024

STRATEGIC PLAN IMPACT:

☐		Financial Stewardship & Asset Management	☒		Reliable Core Services
☐		Vibrant Economic Climate	☐		Quality Programs & Amenities
☐		Engaged Community	☐		Healthy Workforce
☐		Supportive Technology	☐		Collaborative Regional Partner

**ORDINANCE NO. 1889
SERIES 2024**

**AN ORDINANCE AMENDING TITLE 5 OF THE LOUISVILLE MUNICIPAL CODE
CONCERNING LIQUOR AND MARIJUANA LICENSING**

WHEREAS, the State Legislature has enacted various amendments to the State's liquor and medical marijuana licensing statutes; and

WHEREAS, these amendments include, among other things, authorizing biennial liquor and marijuana licenses, allowing retail marijuana stores to sell limited food items and accept online payments, and revising the list of disqualifying factors for marijuana licensees; and

WHEREAS, City Council desires to amend the City's liquor and marijuana licensing requirements to more closely align with State law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Chapter 5.08 of the Louisville Municipal Code is hereby amended by the addition of a new Section 5.08.035 as follows:

Sec. 5.08.035. Biennial licenses authorized.

A licensee in good standing with the local licensing authority may file an application to renew its license for a two-year period. For purposes of this section, "good standing" shall have the meaning set forth in the Colorado Liquor Regulations.

Section 2. Section 5.08.050 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.08.050. Fees - License fees designated for each class of license.

License fees shall be paid to the city annually, in advance, based on premises located within the city. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. Fees for the various classes of licenses shall be as established by resolution of the city council.

Section 3. Section 5.10.080 of the Louisville Municipal Code is hereby repealed and reenacted to read as follows:

Sec. 5.10.080. Persons prohibited as licensees.

A. A license shall not be issued to or held by any person contrary to the Colorado Marijuana Code and the rules and regulations promulgated by the State of Colorado.

B. In investigating the qualifications of an applicant, licensee, owner, or manager o, the local licensing authority shall make a finding and determination as to the good moral character and criminal history of such persons in accordance with the standards and procedures set forth in the Colorado Marijuana Code and the rules and regulations promulgated thereunder. In so doing, the local licensing authority may incorporate any findings as to good character and criminal history previously made by the state licensing authority or may, in its sole discretion, make its own findings.

C. The city shall not be required to perform a criminal background check if the state licensing authority has already performed a criminal background check or may, in its sole discretion, perform its own background check. In such case, the local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the local licensing authority considers the applicant's criminal history record, the local licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant's last criminal conviction and the consideration of the application for a local license. If the city performs the criminal background check, a fee in the amount established by resolution of city council may be charged for the costs of each fingerprint analysis and background investigation undertaken to qualify new applicants, managers, and any other persons required to be qualified pursuant to the Colorado Marijuana Code, this chapter, and any related rules and regulations. The local licensing authority may verify any of the information an applicant is required to submit.

Section 4. Section 5.10.090 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.090. Duration of license; renewal.

A. Upon issuance of a license, the city shall provide the licensee with one original of such license for each medical marijuana business to be operated by the licensee in the city. Each such copy shall show the name and address of

the licensee, the type of facility or business for which it is issued, and the address of the facility at which it is to be displayed.

B. Each license issued pursuant to this chapter shall be valid for a period not to exceed two years ~~one year~~ from the date of issuance and may be renewed only as provided in this chapter. All renewals of a license shall be for no more than two years ~~one year~~. ~~An application for the renewal of an existing license shall be made to the local licensing authority not more than 60 days and not less than 45 days prior to the date of expiration of the license. No application for renewal shall be accepted by the local licensing authority prior to or after such date except as provided in subsection C of this section. The local licensing authority shall act on renewal applications received from the state licensing authority in accordance with the applicable provisions of the Colorado Marijuana Code and the rules and regulations promulgated thereunder.~~ The timely filing of a renewal application shall extend the current license until a decision is made on the renewal.

~~C. Notwithstanding subsection B, a licensee whose license has been expired for not more than 90 days may file a late renewal application upon the payment of a nonrefundable late application fee at the time the renewal application is submitted in the amount as established by resolution of the city council. A licensee who files a late renewal application and pays the requisite fee may continue to operate until a decision is made on the renewal.~~

Section 5. Section 5.10.100 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.100. ~~Annual~~ License fee.

Upon and as a condition of issuance of a license or any renewal of a license, the licensee shall pay to the city an annual license fee in an amount as established by resolution of the city council. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. The ~~annual~~ license fee may be refunded if the application is denied.

Section 6. Section 5.10.130.D of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.130. Change in manager, employee; change in financial interest; modification of premises.

D. After a license is issued, the licensee shall make no physical change which materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the local licensing authority. ~~For purposes of this subsection, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent shall be as specified in the rules and regulations promulgated by the state licensing authority.~~ Each application for modification of premises shall be accompanied by an application fee in the amount as established by resolution of the city council. For purpose of this subsection, a modification requiring local licensing authority approval includes, but is not limited to the following:

1. Any increase or decrease in the total physical size or capacity of the licensed premises.

2. The sealing off, creation of, or relocation of a common entryway, doorway, passage, means of public ingress/egress, walk-up window, or drive-up window, to the extent that such modification alters or changes an area in which medical marijuana or marijuana products are sold, tested, or manufactured.

3. Any material change in the interior of the premises that affects the basic character or physical structure of the premises. However, the following types of modifications will not require prior approval: painting and redecorating; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture, equipment, and security cameras; and any non-structural remodeling where the remodel does not expand or reduce an area in which medical marijuana or marijuana products are sold, tested, or manufactured.

4. The destruction or demolition, and subsequent reconstruction, of a building that contained the licensed premises.

Section 7. Section 5.11.100 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.100. Duration of license; renewal.

A. Upon issuance of a license, the city shall provide the licensee with one original of such license for each retail marijuana establishment to be operated

by the licensee in the city. Each such copy shall show the name and address of the licensee, the type of facility or business for which it is issued, and the address of the facility at which it is to be displayed.

B. Each license issued pursuant to this chapter shall be valid for a period not to exceed two years ~~one year~~ from the date of issuance and may be renewed only as provided in this chapter. All renewals of a license shall be for no more than two years ~~one year~~. The local licensing authority shall act on renewal applications received from the state licensing authority in accordance with the applicable provisions of the Colorado Retail Marijuana Code and the rules and regulations promulgated thereunder. The timely filing of a renewal application shall extend the current license until a decision is made on the renewal.

~~C. Notwithstanding subsection B, a licensee whose license has been expired for not more than ninety (90) days may file a late renewal application upon the payment of a nonrefundable late application fee in the amount established by city council by resolution to the local licensing authority. A licensee who files a late renewal application and pays the requisite fee may continue to operate until a decision is made on the renewal.~~

~~C. D.~~ The local licensing authority may deny a renewal application for good cause pursuant to section 5.11.260.

Section 8. Section 5.11.110 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.110. ~~Annual~~ Operating fee.

Upon and as a condition of issuance of a license or any renewal of a license, the licensee shall pay to the city an annual operating fee in an amount established by resolution of the city council. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. The ~~annual~~ operating fee may be refunded if the application is denied.

Section 9. Section 5.11.140.D of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

**Sec. 5.11.140. Change in manager; change in financial interest;
modification of premises.**

D. After a license is issued, the licensee shall make no physical change which materially or substantially alters the licensed premises or the usage of the

licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the state and local licensing authorities. ~~For purposes of this subsection, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent shall be as specified in the Colorado Retail Marijuana Code and the rules and regulations promulgated thereunder.~~ Each application for modification of premises shall be accompanied by an application fee in amount established by resolution of the city council. For purpose of this subsection, a modification requiring local licensing authority approval includes, but is not limited to the following:

1. Any increase or decrease in the total physical size or capacity of the licensed premises.

2. The sealing off, creation of, or relocation of a common entryway, doorway, passage, means of public ingress/egress, walk-up window, or drive-up window, to the extent that such modification alters or changes an area in which retail marijuana or marijuana products are sold, tested, cultivated, or manufactured.

3. Any material change in the interior of the premises that affects the basic character or physical structure of the premises. However, the following types of modifications will not require prior approval: painting and redecorating; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture, equipment, and security cameras; and any non-structural remodeling where the remodel does not expand or reduce an area in which retail marijuana or marijuana products are sold, tested, cultivated, or manufactured.

4. The destruction or demolition, and subsequent reconstruction, of a building that contained the licensed premises.

Section 10. Section 5.11.210.B of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.210. Prohibited acts.

B. It shall be unlawful for a retail marijuana store:

1. To sell or give away ~~any consumable product, including but not limited to,~~ cigarettes, or alcohol or to sell food in excess of twenty percent of the store's annual gross revenues, or edible products that do not contain marijuana (e.g., soda, candy, and baked goods).

~~2. To sell retail marijuana or retail marijuana products over the internet or to deliver marijuana or marijuana products to a person not physically present in the licensed premises.~~

Section 11. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 12. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 13. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

**INTRODUCED, READ, PASSED ON FIRST READING AND ORDERED
PUBLISHED** this 3rd day of December 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

Kelly PC, City Attorney

PASSED AND ADOPTED ON SECOND AND FINAL READING, this ____ day of _____, 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk